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ABSTRACT

This hearing was convened to discuss the Human Services Amendments of 1984 (H.R. 5145) which would extend the authorization for Head Start, Follow-Through, and the Community Services Block Grant Program (CSBG) and would establish the Child Care Information and Referral Services Act, as proposed in H.R. 2242. Testimony concerns (1) Head Start programs and functions; (2) recommendations for eliminating the CSBG and broadening the Social Services Block Grant; (3) issues related to the Rural Development Loan Fund; (4) inequities in Head Start funding across counties in 40 states; (5) reductions in Head Start programs; (6) the Indian and Migrants Program Division within the Head Start Bureau; and (7) recommendations for expanding programs covered by the resolution. Much supporting material and several articles are appended, including correspondence; an article describing the peer review of research grant applications at the National Institutes of Health; amendments to the Public Health Service Act; a review of selected practices in managing discretionary grants; a discussion of the measurement of poverty in the United States; the status of emergency food, energy, and shelter in 20 cities; new directions of Head Start research; and the nature and impact of poverty on United States citizens. (RH)

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AUTHORIZATIONS FOR HEAD START, FOLLOW THROUGH, COMMUNITY SERVICES, AND ESTABLISH CHILD CARE INFORMATION AND REFERRAL SERVICES

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HEARING

BEFORE THE

SUBCOMMITTEE ON HUMAN RESOURCES

OF THE

COMMITTEE ON EDUCATION AND LABOR
HOUSE OF REPRESENTATIVES

NINETY-EIGHTH CONGRESS

SECOND SESSION

ON

H.R. 5145

TO AUTHORIZE APPROPRIATIONS FOR HEAD START, FOLLOW THROUGH, COMMUNITY SERVICES PROGRAMS, AND TO ESTABLISH A PROGRAM TO PROVIDE CHILD CARE INFORMATION AND REFERRAL SERVICES

HEARING HELD IN WASHINGTON, DC, MARCH 21, 1984

Printed for the use of the Committee on Education and Labor

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AUTHORIZATIONS FOR HEAD START, FOLLOW THROUGH, COMMUNITY SERVICES, AND ESTABLISH CHILD CARE INFORMATION AND REFERRAL SERVICES

WEDNESDAY, MARCH 21, 1984

HOUSE OF REPRESENTATIVES,
COMMITTEE ON EDUCATION AND LABOR,
SUBCOMMITTEE ON HUMAN RESOURCES,
Washington, DC.

The subcommittee met, pursuant to call, at 10:35 a.m., in room 2261, Rayburn House Office Building, Hon. Ike Andrews (chairman of the subcommittee) presiding.

Members present: Representatives Andrews, Williams, Owens, and Petri.

Staff present: Gordon A. Raley, staff director; Michelle Stent, legislative counsel; Deborah Hall, clerk; Mary Jane Fiske, Republican senior legislative associate; Edward Larson, Republican assistant counsel for Human Resources; and John E. Dean, Republican assistant counsel.

[Text of H.R. 5145 follows:]

I

98TH CONGRESS
2D SESSION

H. R. 5145

To authorize appropriations for Head Start, Follow Through, and community services programs, to establish a program to provide child care information and referral services, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 15, 1984

Mr. ANDREWS of North Carolina (for himself, Mr. PERKINS, Mr. CORRADA, Mr. WILLIAMS of Montana, Mr. OWENS, Mr. MILLER of California, Mr. ECKART, Ms. MIKULSKI, Mr. BIAGGI, and Mr. DIXON) introduced the following bill; which was referred to the Committee on Education and Labor

---

A BILL

To authorize appropriations for Head Start, Follow Through, and community services programs, to establish a program to provide child care information and referral services, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Human Services Amendments of 1984".

TITLE I—PROJECT HEAD START

ADMINISTRATION

SEC. 101. Section 636 of the Head Start Act (42 U.S.C. 9831) is amended by adding at the end thereof the following new subsection:

"(c) The Secretary shall administer Project Head Start through the Administration for Children, Youth, and Families within the Department of Health and Human Services.".

TECHNICAL AMENDMENTS

SEC. 102. Section 637(2) of the Head Start Act (42 U.S.C. 9832(2)) is amended by inserting "the Commonwealth of" before "the Northern Mariana Islands".

AUTHORIZATION OF APPROPRIATIONS

SEC. 103. Section 639 of the Head Start Act (42 U.S.C. 9834) is amended—

(1) by striking out "$950,000,000" and all that follows through "1983, and", and

(2) by inserting before the period the following: ", $1,111,000,000 for fiscal year 1985, $1,167,000,000 for fiscal year 1986, $1,225,000,000 for fiscal year 1987, $1,286,000,000 for fiscal year 1988, and $1,350,000,000 for fiscal year 1989".

ALLOTMENT OF FUNDS

SEC. 104. Section 640(a) of the Head Start Act (42 U.S.C. 9834(a)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (C) by inserting ", as described in section 645, except that there shall be made available for this purpose no less funds than were obligated for this purpose for fiscal year 1982" before the semicolon,

(B) in subparagraph (D) by striking out the period and inserting in lieu thereof a semicolon; and

(C) by adding at the end of such paragraph the following:

"except that no funds reserved under this paragraph may be combined with funds appropriated under any other Act if the purpose of combining funds is to make a single discretionary grant or a single discretionary payment.", and

(2) in paragraph (4) by inserting "the Commonwealth of" before "the Northern Mariana Islands".

DESIGNATION OF HEAD START AGENCIES

SEC. 105. (a) Section 641(a) of the Head Start Act (42 U.S.C. 9836(a)) is amended—

(1) by striking out "which" and inserting in lieu thereof "in a community if such agency", and

(2) in paragraph (1) by striking out "a community" and inserting in lieu thereof "such community".

(b) Section 641(c) of the Head Start Act (42 U.S.C. 9836(c)) is amended—

(1) by striking out "give priority in the designation of Head Start agencies to" and inserting in lieu thereof "designate as a Head Start agency",

(2) by striking out "nonprofit agency which" and inserting in lieu thereof "nonprofit agency in a community if such agency",

(3) in paragraph (1) by striking out "giving such priority" and inserting in lieu thereof "making such designation",

(4) in paragraph (2) by striking out "give priority in the designation of Head Start agencies to" and inserting in lieu thereof "designate as the Head Start agency", and

(5) by striking out the last sentence.

(c) Section 641 of the Head Start Act (42 U.S.C. 9836) is amended—

(1) by redesignating subsection (d) as subsection (f), and

(2) by inserting after subsection (c) the following new subsections:

"(d) If there is no Head Start agency as described in subsection (c)(1), no successor agency as described in subsection (c)(2), and no existing Head Start agency serving a com-

munity, then the Secretary may designate a Head Start agency from among qualified applicants in such community. Any such designation shall be governed by the program and fiscal requirements, criteria, and standards applicable on September 1, 1983, to then existing Head Start agencies.

"(e) Except as provided in subsection (d), this section shall be carried out in fiscal years 1985 through 1989 in accordance with the rules issued under this section by the Secretary as in effect on September 1, 1983.".

PARTICIPATION IN HEAD START PROGRAMS

SEC. 106. Section 645 of the Head Start Act (42 U.S.C. 9840) is amended by adding at the end thereof the following new subsection:

"(c) Each Head Start program operated in a community may provide services to any eligible child for any period in which such child is not less than 3 years of age and has not attained the age of compulsory school attendance in the State in which such program operates.".

TECHNICAL ASSISTANCE AND TRAINING

SEC. 107. Section 648 of the Head Start Act (42 U.S.C. 9843) is amended—

(1) by striking out "may" and inserting in lieu thereof "shall", and

(2) by inserting the following before the period at the end thereof: ", including a national child develop-

ment associate training and assessment program providing the necessary credentialing for such personnel, and training (including resource access projects) which improves the ability of such personnel to provide Head Start services to handicapped children".

RESEARCH, DEMONSTRATION, AND PILOT PROJECTS

SEC. 108. Section 649 of the Head Start Act (42 U.S.C. 9844) is amended by adding at the end thereof the following new subsection:

"(c) No funds available to carry out this section may be combined with funds available to carry out any other provision of law if the purpose of combining funds is to make a single discretionary grant or a single discretionary payment to a recipient of such funds.

EVALUATION

SEC. 109. The second sentence of section 651(b) of the Head Start Act (42 U.S.C. 9846(b)) is amended to read as follows: "Any revisions in such standards shall not result in either the elimination of, or the reduction in the scope of, types of health, education, parent involvement, social, or other services required by the performance standards issued by the Secretary as in effect on November 2, 1978.".

TITLE II—FOLLOW THROUGH PROGRAMS

AUTHORIZATION OF APPROPRIATIONS

SEC. 201. Section 663(a) of the Follow Through Act (42 U.S.C. 9862(a)) is amended—

(1) in paragraph (1)—

(A) by striking out "$44,300,000" and all that follow through "1983, and", and

(B) by inserting before the period the following: ", $22,150,000 for fiscal year 1984, $23,000,000 for fiscal year 1985, $24,150,000 for fiscal year 1986, $25,350,000 for fiscal year 1987, $25,650,000 for fiscal year 1988, and $27,000,000 for fiscal year 1989", and

(2) in paragraph (2) by striking out "for fiscal years 1982 and 1983".

RESEARCH, DEMONSTRATION, AND PILOT PROJECTS

SEC. 202. Section 664(a) of the Follow Through Act (42 U.S.C. 9863(a)) is amended—

(1) by striking out "may" and inserting in lieu thereof "shall", and

(2) by striking out "special problems" and all that follows through "subchapter", and inserting in lieu thereof the following: "the special problems of primarily low-income children previously enrolled in Head Start or similar programs in continuing to develop to

their full potential in kindergarten and the primary grades".

EVALUATION

SEC. 203. (a) Subsection (a) of section 666 of the Follow Through Act (42 U.S.C. 9865(a)) is amended to read as follows:

"(a) The Secretary shall, directly or through grants or contracts, provide for a review and analysis of all previous evaluations and reports made in connection with all Follow Through programs and projects authorized by any Act of Congress in effect after August 20, 1964, and provide a comprehensive evaluative report that measures the impact of such programs and projects with regard to—

"(1) the effectiveness of such programs and projects in achieving their stated goals;

"(2) the impact of such programs and projects on related programs;

"(3) the impact of such programs and projects on efforts to link preschool and elementary school programs in order to maintain and enhance the continuity of a child's development;

"(4) the structure and mechanism of such programs and projects for delivery of services; and

"(5) the effectiveness of such programs and projects in narrowing the gap in successful educational per-

formance between children from low-income families and children from non-low-income families.

Such review may be conducted only by persons who are not directly involved in the development, design, administration, or implementation of such programs and projects. Such report shall include comparisons with appropriate control groups composed of persons who have not participated in such programs and projects, including persons from non-low-income families. Such report shall be submitted to the President and the Congress not later than January 30, 1988.".

(b) Section 666(c) of the Follow Through Act (42 U.S.C. 9865(b)) is amended by striking out "evaluations" and inserting in lieu thereof "any evaluation".

TECHNICAL AMENDMENT

SEC. 204. Section 670 of the Follow Through Act (42 U.S.C. 9868) is repealed.

CHILD CARE INFORMATION AND REFERRAL

SEC. 205. The Follow Through Act (42 U.S.C. 9861–9868) is amended by adding at the end thereof the following new subchapter:

"Subchapter D—Child Care Information and Referral

"SHORT TITLE

"SEC. 670. This subchapter may be cited as the 'Child Care Information and Referral Services Act'.

"STATEMENT OF PURPOSE

"SEC. 670A. It is the purpose of this subchapter—

"(1) to make efficient use of available child care resources by creating models for centralized systems for matching families needs for child care services with appropriate child care providers;

"(2) to document at the local level the availability of and demand for child care providers;

"(3) to facilitate an educated choice for parents, of appropriate child care services according to parental needs and preferences; and

"(4) to improve the quality and increase the number of child care providers by making information available on local needs and preferences for child care services.

"FINANCIAL ASSISTANCE FOR CHILD CARE INFORMATION AND REFERRAL SERVICES

"SEC. 670B. (a) The Secretary of Health and Human Services (hereinafter in this subchapter referred to as the 'Secretary'), through the Administration for Children, Youth, and Families, shall make grants to assist public or private nonprofit organizations to establish and operate community-based child care information and referral centers.

"(b)(1) Any community-based public or private nonprofit organization which desires to receive a grant under subsec-

tion (a) shall submit an application to the Secretary in such manner as the Secretary may require. Such application shall—

"(A) describe the manner in which the child care information and referral center involved will be established or operated, as the case may be;

"(B) describe the services to be provided by such center;

"(C) contain an estimate of the cost of establishing or operating such center, as the case may be; and

"(D) include such other information as the Secretary determines to be necessary to carry out the purposes of this subchapter.

"(2) The Secretary, in evaluating applications for grants under subsection (a), shall consider the demonstrated ability of applicants to provide child care information and referral services. Priority shall be given to applications for grants of less than $75,000.

"(3) Recipients of grants under subsection (a) shall be selected through a competitive process to be established by the Secretary. As part of such process, the Secretary shall announce publicly the availability of funds for such grants, the general criteria for the selection of grant recipients, and a description of the processes applicable to submitting and reviewing applications for such grants.

"(c) A grant may be made under subsection (a) to an applicant only if such applicant provides adequate assurances that—

"(A) such grant will be used solely for the establishment or operation, or both, of a child care information and referral center;

"(B) any such center for which such grant is made shall provide information to interested persons only with respect to providers of child care services that meet applicable State and local licensing and registration requirements; and

"(C) during the period for which one or more of such grants are made, such center shall obtain the following percentages of its projected budget through non-Federal sources of funding:

"(i) at least 25 percent in the first and second years;

"(ii) at least 50 percent in the third year; and

"(iii) at least 65 percent in the fourth and fifth years.

"(d) If one or more grants are made under subsection (a) to operate a child care information and referral center for a period of 5 years in the aggregate, then no applicant shall be

eligible to receive a grant to be made under such subsection to operate such center after such period.

"REPORTS

"SEC. 670C. (a) Not later than December 31 of each year, each recipient of a grant made under section 670B(a) shall submit to the Secretary a comprehensive report on the activities, during the most recent concluded fiscal year, of the center for which such grant was made. Such report shall contain such information as the Secretary may require by rule.

"(b) Not later than March 1 of each year, the Secretary shall submit to the chairman of the Committee on Education and Labor of the House of Representatives and the chairman of the Committee on Labor and Human Resources of the Senate a comprehensive report on the activities carried out under this subchapter during the most recently concluded fiscal year.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 670D. There is authorized to be appropriated to carry out this subchapter $8,000,000 for fiscal year 1985, $8,400,000 for fiscal year 1986, $8,825,000 for fiscal year 1987, $9,275,000 for fiscal year 1988, and $9,725,000 for fiscal year 1989.

"APPLICABILITY OF PROVISIONS OF SUBCHAPTER B

"SEC. 670E. The provisions of sections 653, 654, 655, 656, and 657 shall apply to the administration of this subchapter.".

TITLE III—COMMUNITY SERVICES PROGRAMS

COMMUNITY SERVICES GRANTS AUTHORIZED

SEC. 301. Section 672(b) of the Community Services Block Grant Act (42 U.S.C. 9901(b)) is amended by striking out "1982" and all that follows through "provisions of", and inserting in lieu thereof "1983, $409,000,000 for fiscal year 1984, $429,500,000 for fiscal year 1985, $451,000,000 for fiscal year 1986, $473,500,000 for fiscal year 1987, $497,000,000 for fiscal year 1988, and $522,000,000 for fiscal year 1989 to carry out".

APPLICATIONS AND REQUIREMENTS

SEC. 302. (a) Section 675(c) of the Community Services Block Grant Act (42 U.S.C. 9904(c)) is amended—

(1) in paragraph (2)(A)—

(A) in clause (i)—

(i) by striking out ", for fiscal year 1982 only,",

(ii) by striking out "90 per centum" and inserting in lieu thereof "85 per centum", and

(iii) by striking out "clause (1)" and inserting in lieu thereof "paragraph (1)", and

(B) in clause (ii)—

(i) by striking out ", for fiscal year 1983 and for each subsequent fiscal year, not less than 90 per centum of" and inserting in lieu thereof "that portion of the",

(ii) by inserting "which remains after carrying out clause (i)" after "section 674",

(iii) by striking out "clause (1)" and inserting in lieu thereof "paragraph (1)", and

(iv) by striking out "clause (3)" and inserting in lieu thereof "paragraph (3)",

(2) in paragraph (5)—

(A) by striking out "or the energy" and inserting in lieu thereof ", the energy", and

(B) by inserting ", or the Temporary Emergency Food Assistance Act of 1983" before the semicolon, and

(3) by striking out the last sentence.

(b) Section 675 of the Community Services Block Grant Act (42 U.S.C. 9904) is amended by adding at the end thereof the following new subsections:

"(i) Whenever the State determines that a political subdivision of the State or a combination of political subdivisions

within the State are not served by an eligible entity, the State may use funds described in subsection (c)(2)(A)(ii) through an existing eligible entity to provide services under this subtitle in such subdivision or combination of such subdivisions. If it is not feasible to use an eligible entity for such purpose, then such State may establish a community action agency of the type specified, and in the manner provided, in section 210 of the Economic Opportunity Act of 1964, as in effect on August 12, 1981, to provide such services in such subdivision or combination of subdivisions.

"(j) The Secretary may waive for any State, upon application, the limitations of subsection (c)(2)(A)(ii) relating to eligibility to receive grants, if—

"(1) such State obtained a waiver of the limitations of section 138 of the Act of October 2, 1982 (Public Law 97-276; 96 Stat. 1198), relating to eligibility to receive funds appropriated for fiscal year 1983; and

"(2) such State submits, before the fiscal year for which a waiver is requested under this subsection, an application specifying the uses to be made by political subdivisions of such State of assistance received under this subchapter.

"(k)(1) For purposes of determining compliance with this subchapter the Secretary shall conduct, in several States

in each fiscal year, evaluations of the uses made of funds received under this subchapter by such States.

"(2) The results of such evaluations shall be submitted annually to the chairman of the Committee on Education and Labor of the House of Representatives and the chairman of the Committee on Labor and Human Resources of the Senate.".

ADMINISTRATION

SEC. 303. (a) Section 676(a) of the Community Services Block Grant Act (42 U.S.C. 9905(a)) is amended by striking out "a Director" and inserting in lieu thereof "an Assistant Secretary who shall be appointed by the President by and with the advice and consent of the Senate".

(b) Section 676(b) of the Community Services Block Grant Act (42 U.S.C. 9905(b)) is amended by striking out "his functions" and inserting in lieu thereof "the functions of the Secretary".

WITHHOLDING

SEC. 304. (a) Section 679(b) of the Community Services Block Grant Act (42 U.S.C. 9908(b)) is amended—

(1) in paragraph (2) by striking out "he" and inserting in lieu thereof "the Secretary", and

(2) in paragraph (3) by striking out "may" and inserting in lieu thereof "shall".

(b) Section 679 of the Community Services Block Grant Act (42 U.S.C. 9908) is amended by striking out subsection (d).

DISCRETIONARY AUTHORITY OF SECRETARY

SEC. 305. Section 681(a) of the Community Services Block Grant Act (42 U.S.C. 9910(a)) is amended—

(1) by striking out "is authorized" and inserting in lieu thereof "shall",

(2) in subsection (2) subparagraph (E) by striking out "and" at the end thereof,

(3) by redesignating subparagraph (F) as subparagraph (H), and

(4) by inserting after subparagraph (E) the following new subparagraph:

"(F) a program of the type described in section 222(a)(2) of the Economic Opportunity Act of 1964, as in effect on August 12, 1981, to be known as 'Community Food and Nutrition';"

"(G) a program of the type described in section 222(a)(2) of the Economic Opportunity Act of 1964, as in effect on August 12, 1981, to be known as 'Senior Opportunities and Services'; and".

AUTHORIZATION OF APPROPRIATIONS

SEC. 306. Section 683(b) of the Community Services Block Grant Act (42 U.S.C. 9912) is amended by striking out "1982, 1983, and 1984" and inserting in lieu thereof "1984, 1985, 1986, 1987, 1988, and 1989".

TITLE IV—CONFORMING AMENDMENTS; EFFECTIVE DATE

CONFORMING AMENDMENTS TO OTHER LAWS

SEC. 401. (a) Section 5315 of title 5, United States Code, is amended in the item relating to Assistant Secretaries of Health and Human Services by striking out "(4)" and inserting in lieu thereof "(5)".

(b) Section 502(c)(1) of the Older American Community Services Employment Act (42 U.S.C. 3056(c)(1)) is amended by striking out "Director of the Office of Community Services" and inserting in lieu thereof "Assistant Secretary of the Office of Community Services".

(c) Section 505(b) of the Older American Community Services Employment Act (42 U.S.C. 3059(c)(1)) is amended by striking out "Director of the Office of Community Services" and inserting in lieu thereof "Assistant Secretary of the Office of Community Services".

EFFECTIVE DATE

SEC. 402. This Act and the amendments made by this Act shall take effect on the date of the enactment of this Act or October 1, 1984, whichever occurs later.

O

Mr. ANDREWS. May I have your attention, please? Good morning, ladies and gentlemen, the House Subcommittee on Human Resources convenes today to discuss H.R. 5145, the Human Services Amendments of 1984. This bill would extend the authorization for several very well-known programs—Head Start, Follow-Through, and the Community Services Block Grant Program. In addition it would add and provide new authority to develop child care information and referral services.

H.R. 5145 borrows rather heavily on the Senate Republican bill of the same title, S. 2374, introduced by Senator Stafford, along with a number of other Republican and Democratic Senators. It is my hope that our bill will be viewed as a bipartisan companion bill.

All of the programs being reauthorized by H.R. 5145 are located in title VI of the Omnibus Budget Reconciliation Act of 1981, known as the Human Services Programs. Prior to that, they were all authorized by the Economic Opportunity Act of 1964. They all make vital contributions to the well-being of the low income and their children and I am most pleased that we can consider them together today as we have done in the past. They have in common a goal of giving "hand ups" to those in need rather than "handouts."

Title I of our bill extends the Head Start Program for five additional years. This program, as we all know, funds programs throughout the entire country for more than 400,000 children from low-income families. It provides a broad range of services, including health, nutrition, social and educational services, which help bridge the gap of early childhood development for economically disadvantaged preschoolers.

Title II continues the Follow-Through Program. While not as large as Head Start, it still makes an important contribution. It is intended to literally follow through on developmental gains made by disadvantaged children and programs like Head Start, when those children enter public schools.

Title III of H.R. 5145 reauthorizes the Community Services Block Grant Program for 5 additional years. This is the only Federal program with the specific objective of poverty prevention and alleviation of its primary focus. There are other block grants—the Social Services Block Grant, for example—but they do not address the needs addressed by the Community Service Block Grant. In the Community Service Block Grant legislation, low income is not mentioned among eligibility criteria and the word "poverty" does not even appear one time. Those who suggest duplication do so only out of political expediency which is totally unrelated to the needs of the poor, at least in my opinion.

A new provision establishes the Child Care Information and Referral Services Act, as proposed by Congresswoman Mikulski in H.R. 2242. The subcommittee held hearings on this bill during the last session and its content is incorporated into H.R. 5145.

Rather than attempt to describe this program, let me instead simply introduce our first witness, my friend, Hon. Barbara Mikulski. She, I am sure, can do a far better job than I of describing this program's merit. Certainly, we welcome you, Barbara.

STATEMENT OF HON. BARBARA MIKULSKI, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MARYLAND

Ms. MIKULSKI. Thank you very much, Mr. Chairman, and thank you for giving me the opportunity to voice my strong support for the legislation you have introduced, the Human Services Amendments of 1984. It's a pleasure to join you as an original cosponsor of these amendments because of my enthusiasm for all of the programs that it authorizes.

Mr. Chairman, I am going to confine my remarks to the information and referral services advocated in this legislation. This section would establish a modest grant program to fund information and referral services that will link families in need of child care with the already existing services in their area.

This program will accomplish three important goals. It will, No. 1, assist families in selecting child care appropriate to their specific needs. No. 2, it will document the availability of and demand for child care services at the local level. No. 3, it will improve the quality and quantity of providers by gathering data on local needs and preferences.

My interest in child care referral services grew out of my knowledge of the excellent work of the Maryland Committee for Children. This committee offered a service called Locate. Essentially, it used computers to store data on child care providers and matched them up with the parents' needs. In effect, it provided a one-stop shop for a parent or a grandparent who was looking for day care, whether it was for preschool, after school or special needs—sometimes for emergency day care. If a mother was hospitalized and a dad had to find day care quickly for a handicapped child, rather than going through list after list of day care centers, one phone call to a place like Locate could tell him, what were the licensed day care programs in his area so that he could meet his responsibility as a parent.

It is this kind of grassroots activity that the legislation that you are backing would help. The need for child care service in this country has been well documented. Right now there are close to 20 million children, 13 years and under who live in families in which all parents in the home work. Six million of these kids are under the age of 6. In addition, there are children, 13 years and under, including 1.3 million under who live in one-parent families where the parent works.

So day care is a national need. It's our job to try to make it available, accessible and affordable. This legislation will help working parents locate child care programs. Mr. Chairman and members of the committee, this money isn't available in existing programs. You are going to hear that. But let me tell you this, title XX programs are already stretched beyond an acceptable point in funding social service programs. I am sure I don't have to tell you the difficulty States are facing in meeting their already existing budgets. While some clearinghouses have been established, like the one in Maryland, it will take Federal initiatives to assure that these needed services are available in our States.

Today and in the future, there will be many working parents, many single parents, and many children who will need quality care

for all or part of the day. This bill provides that care in the most efficient and productive way. Although this legislation doesn't directly increase the supply of child care services, it facilitates the efficient use of existing supply. It also indirectly encourages expansion of existing services where needed, because this will be an important planning tool to document what is the and where is the need, both geographically and what age group. We will have an actual record of the need.

This low-cost program will maximize efficiency and also encourage private sector expansion and the much-needed solution to the problems that parents face in finding quality child care.

Mr. Chairman, I could elaborate further, but I will leave it to any questions that you might have. That's the nature of this program. It has been tried in other parts of the country. There is no need for demonstration projects and there is no need for research projects. What we need is direct funding to get these programs started.

Thank you for including this important program in your Human Service amendments and for allowing me to testify. I will be happy to answer any questions the committee might have.

Mr. ANDREWS. Barbara, certainly we thank you for bringing this to our attention last year. I am pleased to have it as a part of our bill.

Mr. Williams, do you have questions or dialog with Barbara?

Mr. WILLIAMS. Only to join you, Mr. Chairman, in welcoming Barbara to the committee and in thanking her for her good testimony, for her original cosponsorship of this important legislation, for her interest in the Maryland Committee for Children and their work in the past on Head Start. It's nice to see you here, Congresswoman Mikulski and we are delighted to have you with us.

Mr. ANDREWS. Major Owens of New York.

Mr. OWENS. No questions, Mr. Chairman.

Mr. ANDREWS. Well, again, Barbara, we do thank you. I know you have other places to be. So we will be glad to excuse you, unless you prefer to say, in which case, we welcome that.

Ms. MIKULSKI. Thank you very much, Mr. Chairman. I am off to Merchant Marine and Fisheries. There are some wildlife problems over there that we need to deal with.

Thank you very much and we look forward to working with you on the passage of this legislation.

Mr. ANDREWS. Be good to my friend Walter Jones.

Next we are pleased to have and to welcome Ms. Dorcas Hardy, Assistant Secretary, Human Development Services, Department of Health and Human Services, Washington, DC.

We are pleased to again have you with us, Ms. Hardy. If you would, would you introduce those who are accompanying you?

[Prepared statement of Dorcas Hardy follows:]

PREPARED STATEMENT OF DORCAS R. HARDY, ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT SERVICES, DEPARTMENT OF HEALTH AND HUMAN SERVICES

Mr. Chairman, and Members of the Committee, I am pleased to have this opportunity to appear before you on behalf of the Administration to discuss reauthorization of the Head Start Act.

The Head Start Act was originally authorized by Title V of the Economic Opportunity Act of 1964. Most recently, this legislation was extended through September

30, 1984 by the Omnibus Budget Reconciliation Act of 1981. The Administration strongly endorses the Head Start Act and proposes that the program be reauthorized for an additional three years (Fiscal Years 1985–87). In addition, the President's budget requests appropriations of $1,075,059,000 for Fiscal Year 1985, $1,104,036,000 for Fiscal Year 1986, and $1,128,313,000 for Fiscal Year 1987.

Our legislative proposal for Fiscal Years 1985–1987 was submitted to Congress yesterday. In addition to the simple three year extension, the draft bill is based on the assumption that funding for child nutrition will be transferred under current law from the U.S. Department of Agriculture (USDA) to the Department of Health and Human Services. $80.4 million, our current estimates of reimbursements Head Start grantees would receive from USDA is included directly in the Head Start budget request as well as in the proposed authorization. This transfer will simplify program administration for Head Start grantees.

The primary purpose of the Head Start program is to provide comprehensive developmental services to improve the quality of life for low-income preschool children and their families. Specifically, the Head Start program seeks to foster the development of these children and enable them to benefit from a variety of learning experiences that help lay the ground work for success in elementary school. The Head Start program emphasizes cognitive and language skills, socioemotional, physical and mental development, and parent involvement to enable each child to develop and function at his or her highest potential.

Head Start services are provided through a nationwide network of over 1,200 grantees serving more than 2,000 communities. The program employs approximately 80,825 persons in these communities, 29 percent of whom are parents of current or former Head Start children. There are 543,750 volunteers participating in the program.

Head Start children receive comprehensive health services, including immunizations and physical and dental exams and treatment, and hot meals to help meet daily nutritional needs. The Head Start program also emphasizes significant involvement of the children's parents in their early childhood development.

Between 1980 and the end of 1984, the number of children served by Head Start will have increased by more than 53,000 children, rising from an enrollment of 376,300 children in 1980 to an estimated enrollment of 430,149 in 1984. In Fiscal Year 1983 with no appropriation increase, the program was successful in increasing the permanent enrollment base by more than 9,000 above the 1982 level. In Fiscal Year 1984, the permanent enrollment base is being increased by 36,800 children through the use of $74,000,000 appropriated to expand the program.

Head Start legislation mandates that not less than ten percent of the total number of enrollment opportunities in Head Start programs in each State be made available for handicapped children. In response to this mandate, Head Start now serves 43,700 handicapped children in full year programs, about twelve percent of the total enrollment. Of these, approximately twenty-seven percent have multiple handicaps.

In addition, all Head Start parents with handicapped children received special services related to their children's handicaps, including special instructions for home practice and training activities.

The impact of the Head Start Program on preschool children of low-income families has made a substantial contribution in providing equal opportunities, particularly to minority children and children with special needs.

Sixty-seven percent of Head Start's enrollment consists of Black, Hispanic, Asian and Native American children.

Twelve percent of all children served are professionally diagnosed as handicapped.

Twenty percent of all children enrolled are Hispanic whose cultural and language characteristics call for special Head Start program activities.

Three percent are from migrant farmworker families.

Head Start programs have been successful in making use of non-Head Start resources in their communities for the benefit of Head Start children and their families. For example, through a formal interagency agreement with ACTION, 60 Foster Grandparents and Retired Senior Volunteers are assisting in the Head Start programs and an additional 3200 youth volunteers are providing training to children and families in Head Start and day care programs. Parents also volunteer in Head Start programs. For every four children enrolled, at least three parents are providing volunteer services.

The Office of Human Development Services and the Administration for Children, Youth and Families have initiated several steps to improve management of program functions and to increase the quality of Head Start services. Specifically, classroom size has been reduced, and the shorter, less effective summer-only programs have

been converted to full-year programs. In addition to funds specifically provided in Fiscal Year 1982 to selected programs to raise low staff salaries and reduce overcrowding by adding new classes, there has been a continuous effort to help Head Start programs make more efficient use of available funds through improved fiscal and program management initiatives.

I would like to outline briefly for this Committee a few areas in which program initiatives will be undertaken during Fiscal Years 1984-85.

A management initiative to analyze costs and improve the efficiency of programs, which became operational in Fiscal Year 1984, will continue to produce savings in Fiscal Year 1985. Grantees may use these savings for increasing quality or increasing enrollment.

In Fiscal Year 1985, there will be continued emphasis on enrolling children with handicaps, including those with severe or multiple handicaps.

A number of demonstration and evaluation projects, begun in Fiscal Year 1984, will be continued in Fiscal Year 1985. These projects are intended to develop and test strategies for increasing social and economic self-sufficiency among families and communities served by Head Start and strategies for improving the efficiency and effectiveness of Head Start services. The ultimate goal of this effort is to develop and transfer effective technologies to the local Head Start and child care communities.

Also continued will be a project to collect and assess data on the services provided by local Head Start projects. These data enable local and Federal managers to identify areas where performance improvements are needed and to report to Congress on the delivery of services.

In order to assure that local projects are equipped to deal with the special developmental needs of handicapped children, a network of Resource Access Projects (RAPs) will continue to provide special training and technical assistance to the local grantees. We will add an Indian RAP this year which will assist all grantee to increase and improve services to Indian children and their families in Head Start programs.

A variety of training and technical assistance activities will be directed toward assisting local projects in meeting program performance standards in component areas such as education, social services, parent involvement, and health services. Services will be delivered in part through a network of training and technical assistance providers representative of a accountable to local Head Start projects and in part through direct funding of local programs to allow them to purchase the training and technical assistance directly.

In addition, Head Start will explore ways to further involve State governments in continuing the gains made by Head Start children as they enter public school systems.

I would like to bring you up to date on our Head Start expansion efforts for Fiscal Years 1984-85. The Department has received approximately 1,150 applications requesting additional funds to serve more children. Approximately 900 applications were received from current grantees, and 250 applications from organizations that are not current grantees. The panel reviews by field reviewers have been completed. The Acting Commissioner of the Administration for Children, Youth and Families (ACYF) is using the results of the panel reviews to develop funding plans which will serve as the basis for final negotiations by the Regional Offices with prospective grantees and for final decision making by the Acting Commissioner. Actual funding of grantees will begin in April 1984 so that some additional children can be served during this school year.

Mr. Chairman, in closing I would like to reaffirm to you and the other Members of the Committee, the commitment of the Office of Human Development Services and the Administration for Children, Youth and Families to continue providing high quality, efficient and responsive services to the 430,000 Head Start children and their families.

I thank you for the opportunity to testify today before this Committee, and will be pleased to answer any questions that you might have.

STATEMENT OF DORCAS HARDY, ASSISTANT SECRETARY, HUMAN DEVELOPMENT SERVICES, DEPARTMENT OF HEALTH AND HUMAN SERVICES, ACCOMPANIED BY LUCY BIGGS, ACTING COMMISSIONER, ADMINISTRATION FOR CHILDREN, YOUTH AND FAMILIES AND DAVID RUST, DIRECTOR, OFFICE OF POLICY AND LEGISLATION, OFFICE OF HUMAN DEVELOPMENT SERVICES

Ms. HARDY. Good morning, Mr. Chairman, I am pleased to have the opportunity to be here. Accompanying me is Lucy Biggs, who is the Acting Commissioner of the Administration for Children, Youth and Families; and David Rust, who is the Director of the Office of Policy and Legislation in Human Development Services.

I have submitted a fairly long statement for the record, but I would like to highlight that with some introductory remarks.

We have the opportunity to appear this morning on behalf of the administration to discuss reauthorization of the Head Start Act. As you know, it was originally authorized by title V of the Economic Opportunity Act in 1964. Most recently, the legislation was extended through the end of this fiscal year by the Omnibus Budget Reconciliation Act of 1981.

The administration strongly endorses the Head Start Act and proposes that the program be authorized for an additional 3 years, from fiscal years 1985 through 1987.

The primary purpose of the Head Start Program is to provide comprehensive, and I underline comprehensive, developmental services to improve the quality of life for low-income, preschool children and their families. It seeks to foster the development of these children and enable them to benefit from a variety of learning experiences that, as you said earlier, help to lay the groundwork for success in later schoolyears.

The Head Start Program emphasizes cognitive and language skills, socioemotional, physical, mental development, and parent involvement to enable each child to develop and function at his or her highest potential.

Head Start services are provided through a nationwide network of more than 1,200 grantees serving more than 2,000 communities. The program employs approximately 80,825 persons in these communities, 29 percent of whom are parents of current or former Head Start children. There are nearly 550,000 volunteers participating in the program.

We are very proud of the fact that between 1980 and the end of 1984, the number of children served by Head Start will have been increased by more than 53,000 children, rising from an enrollment of 376,000 in 1980 to an estimated enrollment of more than 430,000 children in fiscal year 1984.

In fiscal year 1983 with no appropriation increase, we were successful in increasing the permanent enrollment base by more than 9,000 above the 1982 level. In fiscal year 1984, the permanent enrollment base is being increased by at least 36,800 children through the use of $74 million appropriated to expand the program.

Head Start legislation mandates that not less than 10 percent of the total number of enrollment opportunities in Head Start programs be made available for handicapped children and in response

to this mandate, we have almost 44,000 handicapped children in full-year programs.

The impact of the Head Start Program on preschool children of low-income families has made a substantial contribution to provide equal opportunities, particular to minority children and children with special needs. Sixty-seven percent of Head Start's enrollment consists of black, Hispanic, Asian, and Native American children. Twelve percent of all of our children served are diagnosed as handicapped. Twenty percent enrolled are Hispanic whose cultural and language characteristics call for special Head Start programs and 3 percent of the children are from migrant farmworker families.

Head Start programs have been successful, especially in making use of non-Head Start resources in their communities for the benefit of Head Start children and their families. We have formed a formal interagency agreement with ACTION and we have 60 foster grandparents and retired senior volunteers who are assisting Head Start programs as well as more than 3,000 youth volunteers who are providing training to children and families in Head Start programs. Parents also volunteer in Head Start programs and for every four children enrolled, at least three parents are providing volunteer services.

My office and the Administration for Children, Youth and Families have initiated several steps, as you may know, to improve the management of program functions and to increase the availability of Head Start programs.

Specifically, classroom size has been reduced, and the shorter, less effective, summer-only programs have been converted to full-year programs. In addition to funds specifically provided in fiscal year 1982 to selected programs to raise low staff salaries and reduce overcrowding by adding new classes, there has also been a continuous effort to help Head Start programs make more efficient use of available funds.

I'd like to outline briefly for this committee areas in which program initiatives will continue to be undertaken in 1984 and 1985. We have the management initiative to analyze costs and improve the efficiency of programs, which became operational in 1984 and we believe can continue to produce savings in 1985. Grantees may use these savings for enhancing quality or increasing enrollment.

In fiscal year 1985 there will be continuing emphasis on enrolling additional children with handicaps. We also will have a number of demonstration and evaluation projects begun this year that will be continued into next year. These projects are intended to develop and test strategies for increasing social and economic self sufficiency among the families and the communities that are served by Head Start.

In order to assure that local projects are equipped to deal with special developmental needs of children, and especially handicapped children, a network of resource access projects will be continued. This year we have also added an Indian resource access project which will assist all grantees to increase and improve their services to Indian children and their families.

A variety of training and technical assistance activities will be directed toward assisting local projects in meeting program per-

formance standards in component areas such as education, social services, health, and parent involvement. We have a network of training and technical assistance providers representative of and accountable to local Head Start projects, in part through direct funding of local programs to allow them to purchase the training and the technical assistance directly.

I would like to bring you up-to-date briefly on the expansion efforts that have been made this year and are currently being made. The Department received more than 1,100 applications for the expansion funds—1,100 applicants who have requested more funds to serve additional children.

Approximately 900 applications were received from current grantees and about 250 applications came from new grantees, many of whom are delegate agencies.

The panel reviews have been done by field reviewers. They have been completed and the Acting Commissioner for the Administration of Children, Youth and Families is using the results of the panel reviews to develop funding plans which will serve as the basis for final negotiations by the regional offices with prospective grantees.

Actual funding of the grantees should begin as early as April so that additional children can be served during this school year.

In closing, Mr. Chairman, I would like to reaffirm to you and other members of the committee the commitment of my office and the Administration for Children, Youth and Families in this administration to continue providing high quality, efficient, and responsive services to at least 430,000 children and their families.

I thank you for the opportunity to testify and we'd be glad to answer any questions you may have.

Mr. ANDREWS. Well, thank you very much, Ms. Hardy.

I think that's a very good statement and we are pleased for the innovations and, I think, improvements you are adding to the Head Start Program. However, I'm very curious as to the fact that your statement, as far as I can determine, makes no reference to either of the other three parts of the bill. Did you care to make any comment as to Follow Through or the Community Services Block Grant Program, or the program of Mrs. Mikulski as to the Child Care Information and Referal Services Act, or would you prefer not to comment?

Ms. HARDY. Mr. Chairman, Mr. Vieth, I believe, will testify before you, from the Office of Community Services. I defer to him on the administration's position on the Community Service Block Grant.

With regard to Follow Through, that has been demonstrated as an important program that is managed by the Department of Education, though we continue to have conversations with them about following on after Head Start.

With regard to the child care information and referral, we are not in support of a new Federal program for that. We understand that there is certainly a need throughout this country for increased day care but we believe that through the initiatives that my office has taken and the White House has taken, working with employer-supported child care initiatives, that we have a great many of these information and referral systems already going and they are being

run by volunteer organizations. They are sometimes being run with a little money from our office, to start them up.

Through these White House sponsored luncheons around the country and seminars for chief executive officers of very large corporations, we now have an I&R system going in Hartford. There's one started in Portland. I was just in Salt Lake last week and they, with the Junior League and Phoenix Institute, have just started a new child care information and referral system. I read in the paper this week that Los Angeles is about to launch one.

We also are aware of efforts throughout the corporate community, such as IBM, which is doing a nationwide assessment in their field offices as to what the need is in terms of day care. Should they find that information and referral is the most important need as well as day care slots in a community, they have indicated that they are entertaining the idea of providing information and referral services in all of their field offices for all of their employees. Knowing IBM, I'm sure they would allow other people to input into that system.

I think this is an area that the corporate sector has been very involved in, very concerned about, we're very pleased with that. We have some excellent examples that we can provide for the record of not only information and referral, but different options of day care that employers are using.

Mr. ANDREWS. I take it, then, that you follow the—rather, that you favor what Barbara is attempting to do but you think there are means by which it might be accomplished better than those she proposes?

Ms. HARDY. Absolutely, Mr. Chairman. I think that we are already spending some dollars of ours and we certainly do realize that there is a need for day care. I think there are other ways that we could do that besides a new Federal categorical program.

Mr. ANDREWS. Do you envision that without her program that—and with the existing program in funding you could accomplish what has been accomplished in certain areas, Portland or wherever, where needed, throughout the country, or do you propose that they be made available only in places that might be selected by you or IBM or some other corporate entity?

Ms. HARDY. I think that we can gain a lot more through increased public awareness, which is what we've been trying to do with the 18 cities that we've worked in, plus ACYF has probably worked in another 15. We know there are 400 companies involved in employer-supported child care, which has grown dramatically over the past couple of years.

I think increased public awareness can do a lot for this whole area, and that we do not need to get into direct funding of cities here and there. I think everybody, probably most communities, are very interested in this concept. Many of them already have this without Federal funding.

Mr. ANDREWS. Well, then, you do favor—I take it, I'm not trying to put words in your mouth——

Ms. HARDY. Yes.

Mr. ANDREWS [continuing]. But that, in other words, that certain areas have it and certain areas do not have it, if that's the way the dice fall.

Ms. HARDY. No; I have said this: I think with increased awareness throughout this country there are going to be far more communities that have the information and referral and are knowledgeable about what's available in that community. This is not just a problem in the big cities. It's all over this country.

Mr. ANDREWS. All right. Mr. Williams.

Mr. WILLIAMS. Thank you, Mr. Chairman, and thank you, Ms. Hardy, for your good testimony.

What percent of the eligible children does Head Start now serve?

Ms. HARDY. We estimate we serve 18 percent of the eligible children in this country.

Mr. WILLIAMS. We agree that Head Start is a valuable experience for children and has a good record of accomplishment and is, I think, strongly supported by the American people. Given the fact that it's only serving 18 percent of the children, why don't we significantly increase the funding for Head Start? And why doesn't the administration's budget, and your budget, reflect more money to serve more children for this popular and good program?

Ms. HARDY. To assume that the other 82 percent are not served is incorrect. There are other programs, they're not Head Start programs, but there are other programs that provide services, preschool services and child development services for children, that are not federally funded, or some of which are federally funded.

We feel that we have increased the program. I anticipate that in future years there will be additional increases. But I do not think that we should be serving 100 percent all through Head Start. There are other programs that are also doing that, throughout government and nongovernmental services.

Mr. WILLIAMS. I concur with part of what you say. I understand the sense of what you're saying. There are other services for many of the children who are eligible and who need the unique services that can be provided only by Head Start. And that's where my question goes. Even if we doubled the Head Start effort, we'd be reaching less than half of the available children.

Along with the service on the Education Committee, I also serve on the House Budget Committee. And we just completed our initial work on the House Budget Committee's proposal for this year, so I'm fully cognizant of the difficulties in requesting more money.

But I want to make the point that one does not work very long with the budget before it becomes very clear that America is an enormously rich place, and although we do not have a infinite amount of money available, we have enormous financial resources. The question is, where do we wish to put those resources?

Now, before today and tomorrow end, the Pentagon will have spent all of the money that we're talking about for all of the Head Start Programs for every day of next year. The Pentagon will spend that money in 24 hours. So, it depends where our compass is directed in this country and many of us simply believe it's misdirected, and we believe that we and you have to come together to ask for more money in those efforts which we believe are most important.

Let me go on to another specific matter. In the—both the fiscal year 1984 and the fiscal year 1985 budget, the President proposed transferring funds from the USDA Child Care Food Program to

HHS and the Head Start Bureau. So, this would apparently mean that the food supplement for Head Start children would no longer be provided through USDA.

All of the Head Start groups that have contacted me, and I think all that have contacted this committee, opposed that shift. Can you describe the administration's purpose in requesting that shift?

Ms. BIGGS. I would like to comment on that. Yes, we do know that there are Head Start Programs that have opposed it. However, we also have worked with Head Start programs who realize that this is an opportunity for better administration and for better management. There are Head Start Programs that certainly have said that they are open to this and seek the opportunity for better administration of the food money.

Mr. WILLIAMS. Am I correct that programs now participating in the Child Care Food Program currently receive an increase based on the increase in the cost of food each year?

Ms. BIGGS. They receive an increase in accordance with the number of children that they are serving.

Mr. WILLIAMS. Well, my information is that they receive it based on a food cost. Now, if that's incorrect, then my question does not go to the point. But what I would encourage is this, and that is, consideration that if the money from that food program is based on the increase in food cost, the inflation and food cost, that it may be inappropriate to put it with Head Start, because we're hopeful to bring new children into Head Start. And if they are all going to receive food, then we obviously can't be paying for that additional food, just based on the increase in food prices. We'd have to base it on the increased participants in the Head Start Program. Perhaps my information is not correct, but if it is, then that has created a problem that you may not have recognized.

Secretary Hardy, there have been claims from many Indian groups that the Indian Migrant Program Division is to be streamlined and restructured and, some even say, dismantled, so that the Indian and Migrant Program, in some manner or other, will be divided, will be split. Can you comment on their concerns?

Ms. HARDY. We are very supportive of the Indian Migrant Program. There have been some recent staff changes in that program, and they will remain, I mean as they currently are today. Those staff changes were made for management reasons. I do not anticipate there being any disruptions of any kind in the Indian and Migrant Programs. We have paneled the new applications. We are in the process of going through that review for expansion dollars, and are very supportive of both of those programs.

Mr. WILLIAMS. Do I understand there is not a reorganization currently taking place?

Ms. BIGGS. There is a reorganization that has taken place. The Indian and Migrant Programs still fall under the Division of Program Operations in the Head Start Bureau. We have an Indian Branch, and a Migrant Branch.

Mr. WILLIAMS. Will the Indian Migrant Program Division be maintained as a division of the Head Start Program?

Ms. BIGGS. No, sir. There is a Division of Program Operations. Under that, there is a branch to serve Indians and a branch to serve migrant children.

Mr. WILLIAMS. There are other indications from Indian groups that a new program, Cooperative Management Initiative, is now in effect. Is there Head Start money in that effort?

Ms. HARDY. If the tribes elect to participate in the Cooperative Management Initiative, there may be Head Start moneys in that effort. Within Human Development Services we have three programs that tribes are eligible for: Head Start, Indian Elderly under title VI of the Older Americans Act, and as you know, the Administration on Native Americans. So, if a tribe elects to look at those funds and say, "I would like to administer all of them," they still have to be administered separately, obviously, because they are separate pots of money. But they can apply for those moneys at the same time. They can receive them at the same time of year, so that we've given them one fiscal year. They can come in with one application with three parts to it on September 1, and it goes for a 12-month period. So they don't have, for instance, September, December, and June program year periods.

If I remember correctly, we have about 14 tribes participating, maybe 20. This is something that's been a little slow to catch on. A lot of the tribes that have participated are very pleased with the administrative mechanism that we've provided for them. If they elect to have Head Start in there, they may have Head Start in there.

It's an administrative mechanism in terms of when they receive funds and when the grant is cut.

Mr. WILLIAMS. Thank you, Mr. Chairman.

Mr. ANDREWS. Thank you, Mr. Williams. Major Owens.

Mr. OWENS. Yes. Could you clarify for me the question that Mr. Williams raised about the transfer of the food money from the Child Care Food Program to the Head Start Bureau? You said that there is no increase in the amount of money per child which the Child Care Food Program provides each year? Based on the inflation costs, would they increase the amount of money per child or increase it based only on an increase in the number of children, but it remains the same amount per child?

Ms. BIGGS. In our budget request for 1985, we did request an additional amount of money for the food program. We asked for an additional amount of money to care for the additional number of children. There possibly will be an element of inflation there that would be encompassed in that approximately $5 million difference.

Mr. OWENS. But as a matter of principle, the USDA Child Care Food Program has had an increase based on inflation. As a matter of principle, will you have an increase in the cost per child, based on inflation?

Ms. BIGGS. We do not necessarily see that cost of inflation as a natural built-in process.

Mr. OWENS. But the food costs are a definite increase in cost. Are you assuming that the programs will take it out of some other part, as the food costs rise they will have to lessen their expenditures for personnel for supplies or something as another part of the program?

Ms. BIGGS. Through cost management techniques, we expect that there will be some opportunities to take care of any inflation in food costs.

Mr. OWENS. Is there a danger that they will just get less food?

Ms. BIGGS. No.

Mr. OWENS. If you put the programs in that kind of squeeze isn't the danger that there will just be less money paid for food? Salaries are never sacrificed. The OTPS, the other than personal services parts of most of the Head Start budgets, are very small.

Ms. BIGGS. Congressman, the out-year appropriations as requested in the 1985 budget indicate additional percentage increases I didn't have that in my statement, but they go up about 2 to 3 percent a year. And I would anticipate that that money would be available if the program wanted to spend that.

Mr. OWENS. As a matter of principle, there will always be an increase?

Ms. HARDY. That is what is now being proposed in the out-year budgets. And the programs would be able to spend that as they see fit.

Mr. OWENS. But if the inflationary cost of food is higher, there will be no adjustment?

Ms. HARDY. There is no automatic adjustment proposed in terms of cost of living for the Child Care Feeding Program.

Mr. OWENS. Just a flat rate for the whole program?

Ms. HARDY. Yes.

Mr. OWENS. Is that flat rate based on inflation or is it just an arbitrary rate?

Ms. BIGGS. Flat rate.

Ms. HARDY. Flat rate based on children.

Mr. OWENS. I'm sorry. You're going to give more money if more children come in? There will be no increase based on inflation?

Mr. RUST. Congressman, what we are proposing in our authorizing bill is an authorization level for fiscal year 1985 of $1.075 billion. In 1986 it goes up to $1.104 billion, and in 1987 it's $1.128 billion.

Mr. OWENS. Wouldn't it save time if you just told me, is the cost per child going up?

Mr. RUST. Those levels presume sufficient growth to compensate for inflation in the meal cost and certainly to maintain, and we think to allow a gradual expansion, in the number of children served. Last year when we asked for additional money for the expansion we built the cost of feeding those children into that expansion money. So, we will be able to make those kind of fine tuning adjustments within the parameters of the authorization that the administration is asking.

Mr. OWENS. So you are saying there will be an increase in the cost per child, as well as an overall increase based on the number of additional children coming in?

Mr. RUST. We're providing room within the authorizations to take all of that into consideration, yes, sir.

Mr. OWENS. The second question is on the information referral systems, you indicated or implied that some kind of survey or monitoring of what's going on in that area is taking place. Is your Department conducting a nationwide survey of where information and referral systems exist, and are you collecting data? And what kind of data are you collecting?

Ms. HARDY. We have just completed a survey of employer sponsored child care activities, which will be published next week, that tells us that there's a significant increase in employer supported child care activities. In terms of information and referral, we do not specifically collect information as to which country or which city in this country would have that service. I am aware of many of the ones that are available.

Mr. OWENS. You have made no systematic collection of information on this?

Ms. HARDY. Not in terms of who has information and referral systems for child care, no, sir.

Mr. OWENS. Do you plan to do that?

Ms. HARDY. No, we have no plans at this moment to do a nationwide survey of who has I&R. No, we do not.

Mr. OWENS. Is that being done somewhere else in the administration?

Ms. HARDY. No, not to my knowledge.

Mr. OWENS. Is it of no concern to the administration?

Ms. HARDY. It's, of course, of concern, as I said earlier. I could probably look at any state and there would be information and referral services in most cities. It's a common social service that goes on through all of the social service areas. Whether or not they're doing child care specifically, child care I&R, we do not have a list of everybody. But I would say that there is a great deal of interest throughout the country, in companies, cities, and counties, and governments are getting involved in it.

Mr. OWENS. I think there's a great deal of interest. I'm just trying to pinpoint whether or not your statement that they actually exist was based on some common sense judgment or whether there's some kind of collection of data to support it.

Ms. HARDY. It exists because I'm personally familiar with many that exist and we could expand that to include other people who are familiar with other information and referral services.

Mr. OWENS. You are personally familiar with how many? In how many states? In how many cities?

Ms. HARDY. Probably 50.

Mr. OWENS. Fifty?

Ms. HARDY. Yes.

Mr. OWENS. Fifty throughout the United States?

Ms. HARDY. Yes. And there are many that other people are familiar with.

Mr. OWENS. I would think that this would be of concern, a concern of the administration, whether in your Head Start Program or in other children care programs. It should be of concern, if not to fund them, we would like to see these systems funded. They are very efficient. The cost-benefit ratio is quite high. And if the funding is not going to take place, at least there ought to be a study made, a systematic study, to pinpoint what the situation is out there.

My final question is regarding the Head Start Program, and it has many components which, it seems to me, are consistent with the objectives and priorities of the administration. First of all, you didn't mention its relationship to the concern for improvement in education in general in the country, but preschool education, I

think, should be recognized as a major part of the overall educational effort. But there are studies which demonstrate that more learning takes place in the first seven years of a child's life than takes place in the rest of his life, and there are other objectives that are being met by the program in terms of health care, the proper feeding of young children avoiding the necessity for large expenditures for health care later on.

In terms of putting low income mothers to work, the Head Start Program is one of the few where the concern for the careers of the parents of the children has led to a career ladder for many parents who came in as parents and later became staff and went on to some other child care programs.

Considering that all of these objectives can be met through this one program, does the administration consider Head Start to be a priority program?

Ms. HARDY. We have considered it to be and do consider it to be a priority program. Our increase in terms of the budget has been about 20 percent over the last 4 years. We've increased kids about 20 percent, and we think we're doing a good job in the Head Start Program. I mean, the Head Start grantees, most of the Head Start grantees, are doing a good job.

Mr. OWENS. Well, because it meets so many objectives, are there any plans for any greater degree of expansion?

Ms. HARDY. We will just now be expanding by 37,000 children, most of whom, though some will come in this Spring, most of whom will be front and center on September 1. The system itself has had big expansions in the past and, frankly, has been unable to absorb them. So, we need to give that system time and that's why our budget request for 1985, is a level budget. The new spaces for children are additional, permanent enrollment slots. Over the past 4 years in terms of budgets, we have had an increase and then we've had a level budget then and we've had another increase. We need to get the system running very well, so that there are no carryover balances, so that children are being served, and we feel that the Head Start Program is running well, at which point I would certainly support another increase.

Mr. OWENS. Are there extensive carryover balances?

Ms. HARDY. There were over $40 million in carryover balances when I came into office.

Mr. OWENS. In any particular areas of the country? New York, for example, did they have one?

Ms. HARDY. New York, Chicago, Los Angeles, and other places, the big cities.

Mr. OWENS. I ask because I have requested information from the Department concerning New York's carryover balance and I never got the information on it.

Ms. HARDY. The big cities are hard to do. We'd be glad to supply that, Congressman.

[Information was never submitted for the record.]

Mr. OWENS. I was referred by the staff to the agency.

Ms. HARDY. You didn't ask me. We would be glad to supply it.

Mr. OWENS. I'm asking you now and I will put it in writing. I will be sure to ask you.

Ms. HARDY. The carryover balance is down considerably. We have worked very closely with New York City. We have moved some of the money around in that State. We have made sure that we increased enrollment, at the same time really pushing down on that carryover balance. It is not down to zero. But it is down significantly—if I remember my figures, it was about $18 to $20 million when we first came in. And it's down, I would guess, to maybe $3 million or $4 million.

Mr. OWENS. Now, has there been any retreat or abandonment of that component which deals with career development, the credentialing part, the assessment and credentialing part, which was a minor amount of money in the total program? You recommended that that be phased out or cut by 50 percent?

Ms. HARDY. There has been a lot of discussion about the child development associate credentialing and training program. It has two portions to it and I'll ask Mr. Biggs to explain more about it. But basically an individual is trained and then an individual is credentialed, and those are two separate sets of activities.

We are proposing and have been proposing over the last 3 years, and have been working with Bank Street College, which runs the CDA credentialing process, that the whole CDA credentialing system become a kind of self-supporting organization so that through Head Start training moneys you, or I as a Head Start teacher, would still go to school, would still be able to receive training for a CDA. But the credentialing part of it would be phased down from Federal funding and would be supported by other means outside of the Federal Government.

So, we would still continue to pay for the Head Start training portion. We have been working over the last 3 years trying to assist in other ways so that we can get out of the direct funding of the credentialing portion.

Ms. BIGGS. I just would like to say that we have not lessened our emphasis on training in Head Start. It has remained. We continue to place in every budget money for Head Start training. There is a plan to continue the credentialing activity but also to move it out of the Head Start budget so that a larger part of the child care community in general can more easily participate. We would see that as a credentialing program, a certification type of activity, and it would be equal to any other certification activity that's known in our Nation.

Mr. OWENS. Thank you very much. No further questions, Mr. Chairman.

Mr. ANDREWS. I might just say, as best I can figure it you're just penciling on paper the increases that are proposed by the administration. You're dealing with a budget of slightly more than 1 billion. Your proposed increase for 1985 is $29 million and for 1986 an increase of $24 million. I believe that an average of $25 million out of $1 billion is less than 1 percent, as I figure it. And I believe the inflation rate announced yesterday is 5.2 percent, and it was stated by the department that that's primarily because of the increase in cost of food. That's the fast rising item in it.

So, if you're going to experience a 5.2-percent increase in the cost of living, most of which is attributable to food, I don't see how you

can recommend less than 1 percent increase and still tell us you're going to expand the program to include more children.

To me that makes no sense at all and I think it's false. I don't think you can possibly accomplish that. I think you are going to decrease the number of children if you get what you ask for.

Mr. Petri.

Mr. PETRI. I think my math is a little different. It is about a 2 to 3 percent increase in your figures. $250 million would be 25 percent of $1 billion. So $20 million would be 2 percent. These numbers are all so big it's hard to relate to them.

I have a couple of just very brief questions and I think they cover ground that was covered somewhat in previous questions, so I don't think it will be necessary to take too much time. This legislation provides 5 percent. Now, this is the committee bill, Mr. Andrews' bill, providing a 5-percent annual increase in the budget authorization for Head Start. Is this enough or too much or about right? I think you were talking about administration figures in the 2- to 3-percent range. The chairman is talking about a 5-percent authorization which, as you know, is often more than the actual appropriation. Would you care to comment on that?

Ms. Hardy or Mr. Rust?

Mr. RUST. Congressman, I believe that we would prefer the administration figures, obviously, that we've submitted. We recognize the fact that they are authorizations and that the Appropriations Committee may or may not fully fund the program. But we think that we have provided sufficient growth to allow the system to settle out at the new higher level, the 430,000 students, and to maintain that over the next 2 fiscal years.

Mr. PETRI. Now, the bill requires that Head Start be administered by the Administration for Children, Youth, and Families. Is there a need for this restrictive language or not, in your opinion?

Ms. HARDY. We certainly don't think so, Congressman. I would like to ask why someone feels that there is a need for that restrictive language. I do not think, just on the philosophistical side, that we should be reorganizing, unreorganizing, managing, and administering the executive branch through the legislative side.

Mr. PETRI. Do you support the bill's requirement for at least level funding for Head Start training and technical assistance?

Ms. HARDY. We have proposed a decrease in training and technical assistance in the 1985 budget of about $3 million. We have said that we will spend an equal amount as spent this year, which is about $6 million, on training, and so the decreases would come more in technical assistance activities.

We think that that's sufficient and that's been our proposal.

Mr. PETRI. So you do not support that?

Ms. HARDY. We do not support the level funding, no.

Mr. PETRI. Now, what's your opinion of the provision expressly allowing more than 1 year of Head Start services for each individual child? Do you know how many children go through more than 1 year of Head Start? Do you know of any problems with multiple years of participation by some children reducing the availability of Head Start for other children? Is this an area we should be concerned about?

Ms. BIGGS. I would like to respond to that and would like to state that, yes, there are children who go through more than 1 year. There are children who have special needs and therefore the local policy council chooses to have these children be involved more than 1 year. We have never stipulated that a child can only have 1 year of service. We also know that some children come in at age 3 and in our migrant program some of the children come in as infants and toddlers and therefore are served for more than 1 year.

We would like to have the local community and the local grantee look at the need for services out there and to really decide what those individual children and families' needs are.

Mr. PETRI. So, do I translate that into a reluctance to see something expressly providing for more than 1 year? Or are you just open on that?

Ms. BIGGS. I think we are open on that. We've not made any mandated decision on that.

Mr. PETRI. Thank you.

Mr. RUST. Congressman, if I could add, after Congressman Williams' concerns expressed a few minutes ago, the more you encourage multiple years that, the more difficult it is for us to move above 18 percent of the eligible population served within any kind of tight budget situation. So the more students stay more than 1 year, that's a slot not available to some other student coming into the program.

Mr. PETRI. Thank you.

Mr. ANDREWS. I might say, for as much clarification as I'm able to contribute, it appears that we were both somewhat wrong. I now believe that the increase proposed by the administration is approximately 2.5 percent. Yes, maybe 2.6, as compared to an inflation rate of 5.2 percent and rising. So you are proposing in relative terms that there will be less real dollars for the program than now exists, by about half in terms of the interest. About 2.6 is about right. That's exactly half, I believe, of 5.2. So, rather than proposing an increase in real dollars, you're proposing a decrease.

Ms. HARDY. At the same time, we've been able, in past years, to have level funding in Head Start and have significant increases in the number of enrollments. So, there is that other side as well in terms of how we have been able to work through some improvements in the Head Start Program.

Mr. ANDREWS. Well, it would seem to me you'd have to cut quantity or quality, one, if you've already done a good job of eliminating——

Ms. HARDY. It's not perfect yet, Congressman.

Mr. ANDREWS. Well, I don't suppose it will ever be perfect, will it?

Ms. HARDY. We're trying.

Mr. ANDREWS. I'm sure you are. But try as you may you won't achieve perfection.

Are there other questions of any of the witnesses?

Mr. WILLIAMS. Mr. Chairman.

Mr. ANDREWS. Mr. Williams.

Mr. WILLIAMS. If I might just speak to the question of efficiency, I think that one thing that this administration has brought to many efforts, particularly on this domestic and social side of spend-

ing, is a move toward efficiency, and sometimes people are a little fearful of change and those moods are resisted, those efforts are resisted. But nonetheless I think the effort toward efficiency is good.

But it seems to me to cloud the issue when one says, "Well, inflation may be rising at 5 percent, but we're going to be so efficient that we can expend only 2 or 2½ percent more on a program that only serves 18 percent of the eligible participants, and still do a good job." That's simply not in the cards. I think the people at that table and at this table know that Head Start needs more money if it's going to correctly serve a significant increase in the number of students who need that help, and this administration has not asked for that additional money, and there's no institution in this administration or any other that can be so efficient that it can go from serving 18 percent of the public to serving 36 percent when you only put in 1, 2, or 3 percent increase in the funds. It's just not in the cards.

Ms. HARDY. Congressman, I would just like to clarify that we have asked for increased appropriations in Head Start over the last 3 budget years. You are correct that we are not asking for an increase in 1985. The 1986 and 1987 out years are shown in the 1985 budget and in our legislative proposal. Those are built in increases. There is no determination at the moment as to what will be asked for in the 1986 budget and there very well may be an increase. But we are asking for level funding for 1985, and I think I have given my reasons.

Mr. WILLIAMS. Yes. And let me just clarify, Ms. Hardy, that many of the improvements in Head Start for which you are taking credit, particularly the expansion, is because the Congress gave this administration more money than it wanted, for Head Start. Now you're taking credit for being able to appropriately use that money, which you have done. But had it been up to this President, Head Start would not have been as far along as it is today.

Mr. RUST. Congressman, we did, last year, we asked for about $65 million of expansion money. Congress gave us a slight increase above that, But the increase above our request was only in the magnitude of $10 million or $12 million, and was not earmarked for T/TA, nor expansion. There was a specific budget request last year, by the administration for a substantial increase. That money is going out now. And remember, most of these grants are being cut now, through the spring and summer. Most of that money will be spent on providing services after September 1. So, we did propose the expansion. The administration is proud of its request. There was a slight increase above that, but it was not a significant increase, over and above the President's budget. So, this is not a case where the expansion is solely the result of Congress giving us additional money. The administration came forth last year, asked for that money, and is carrying out an expansion at the present time.

Mr. WILLIAMS. Well, we recognize Congress and the administration are partners in this effort. But if you take the 3, now 4 years, of the administration, their proposals and what Congress has given and will give, one will find that the Congress has been more generous with Head Start than the President wanted to be.

Thank you, Mr. Chairman.

Mr. ANDREWS. I thank all of you for being here and we look forward to working with you in the future.

Mr. Petri, our good friend to my right, is the ranking minority member on the committee, and due to other responsibilities he was not able to be here when we convened this morning. I believe he has an opening statement he had proposed to make at that time, which I think it would be appropriate that he make at this time.

Mr. PETRI. Thank you, Mr. Chairman. I appreciate that.

Head Start is one of those special Great Society Programs that works. It has proven its worth over the past 20 years. I welcome the opportunity this subcommittee has to reauthorize that program.

I do have a concern about this legislation that has nothing whatsoever to do with Head Start. This bill would also reauthorize the Community Service Block Grant Act 2 years before it's due to expire. It would seem to me that we should wait to reauthorize that act until nearer its expiration date, when we can better judge the continuing level of need for these grants.

Further, the subcommittee is now so busy with five major programs due for reauthorization this year, that I fear we cannot devote adequate attention on what we must reauthorize, much less look at the block grants as well.

Nevertheless, to do the best we can, I ask that each and every witness, as the previous ones have, please comment on how the current reauthorization of the Community Services Block Grant Act relates to your particular interest in this bill. Thank you, Mr. Chairman, and thank you all for joining us here today.

Mr. ANDREWS. Thank you, Mr. Petri.

Next, we welcome Dr. Harvey Vieth, Director, Office of Community Services, Department of Health and Human Services. Dr. Vieth, we're pleased to have you with us, and if you would, please introduce those persons who accompany you.

[Prepared statement of Dr. Harvey Vieth follows:]

PREPARED STATEMENT OF HARVEY R. VIETH, DIRECTOR, OFFICE OF COMMUNITY SERVICES, DEPARTMENT OF HEALTH AND HUMAN SERVICES

Mr. Chairman, Members of the Committee, I am pleased to appear before you today to discuss the Administration's FY 1985 budget and legislative proposals for the Community Services Block Grant (CSBG) program. The President's budget request for FY 1985 does not include funding for the CSBG program. The request does include $3 million to cover the salaries and expenses of 40 full-time equivalent positions to close out block grant and discretionary activities of prior years.

The elimination of funding for the CSBG program need not entail any significant reduction in the range or quality of social services for the poor now being provided. Nor would the repeal of the CSBG Act necessarily signify the shrinking, much less the disappearance, of the network of some 900 community action agencies which have been receiving the bulk of the funds appropriated under the Act during the past three years.

This is because on a nationwide basis, CSBG funds account for only 12% of total community action agency funding. According to a study by the National Governors Association, funding for the community action agency network in FY 1982 from all sources was $2.7 billion. Of this amount, $315 million (12%) came from CSBG. The remainder included $36 million (1.3%) from the private sector, $13 million (.05%) from state and local governments and $2.3 billion (86.8%) from federal funding authorities other then the CSBG.

These authorities include the $1.9 billion Low Income Energy Assistance Program (LIHEAP) which makes extensive use of community action agencies to provide its services, the $1.1 billion Head Start Program which uses community action agencies

to deliver 60 to 70% of its services at the local level, and the Department of Energy's $190 million weatherization program which conducts roughly 85% of its activities through the community action agencies. In addition, the community action agencies receive funds from a number of other federally funded programs such as the Alcohol, Drug Abuse and Mental Health Services Block Grant (ADAMHA), the Community Development Block Grant (CDBG), the Job Training Partnership Act (JTPA) and the Social Services Block Grant (SSBG).

This breakdown is for the national network as a whole, of course, and the mix will vary from state to state. In California, for example, the CSBG's contribution to the State's 47 CAA's in 1982 represented 20% of their total funding. The trend among community action agencies towards diversification of funding sources has been accelerating over the past several years, and has reached a point where the elimination of a funding source contributing an average of only 12% of a community action agency's budget does not create an insurmountable problem. In fact, many community action agencies use most of their CSBG funds for staff salaries, travel, rent, utilities and other operating costs. If the CSBG were terminated, it is not unreasonable to expect that the federal and state agencies which use the community action agencies as a vehicle for delivering their programs would collectively work out some agreement for covering the community action agencies' administrative overhead. After all, each of the programs which are supported from the various funding authorities are allotted a certain percentage for administration which they can pass on to the community action agencies.

The SSBG, whose funding is increased in the President's FY 1985 budget by $25 million bringing it to a total of $2.7 billion, is of particular relevance to the proposal to repeal the CSBG Act. The similarities between the purposes and kinds of activities conducted under the two block grants are striking. Both grants provide funds to the states for a variety of social services. For example, the SSBG funds in-home services, and protective services for adults and children. Services provided under the CSBG include all those described earlier, as well as emergency assistance to meet the needs of low-income persons in the areas of health, food, housing and employment. These services are fundamentally similar, and in each case are being offered to largely the same population.

The convergence of the two acts is equally manifest in their stated purposes. The purpose of the CSBG Act is to "ameliorate the causes of poverty in communities within the state" and each state receiving CSBG funds is required to certify, among other things, that it will use the funds to "(remove) obstacles and (solve) problems which block the achievement of self-sufficiency." This sentence echoes the underlying theme of the old Economic Opportunity Act, under which all community action programs were "to focus resources upon the goal of enabling low-income families and individuals . . . to become fully self-sufficient". Similarly, the stated purpose of the SSBG is not just to furnish a range of social services, but to direct these services toward five goals, the first two of which relate to self-sufficiency. They read as follows: "(1) achieving or maintaining economic self-support to prevent, reduce or eliminate poverty; (2) achieving or maintaining self-sufficiency, including reduction or prevention of dependency."

The fundamental similarity in purpose, in clientele, and in the types of activities authorized by the CSBG Act and the SSBG has prompted the Department of Health and Human Services to couple its request for a repeal of the CSBG Act with a proposal to amend the SSBG Act to add "alleviate poverty" to the purposes section of the Act.

One result of the enactment of the two legislative proposals would be a significant reduction in the excessive administrative costs incurred at all levels—federal, state and local—by the existence of two separate block grants in the same area of social services. Another important result would be to give the states much greater flexibility in developing the mix of services and activities best suited to the unique economic and social needs of a particular state. A recurrent theme in the various conferences and workshops on block grants conducted by the states during the past year was the confirmation of suspicions that federal priorities prescribed for categorical programs frequently differed from state and local priorities as reflected in their administration of the block grants. According to a report prepared by the National Governors Association, the experience with implementation "reinforced the thesis held by many that policy planning and prioritization of needs and services can better be performed by those closer to the target populations and service areas." The difference in prioritizing does not mean short-changing the poor. The same report goes on to say that "while there was some concern on the part of Congress and special interest groups that states would no longer target funds for those most

in need, if not required under federal law and regulations, this has not proven to be the case."

The flexibility resulting from eliminating the CSBG and broadening the authority of the SSBG would also extend to the selection of local program operators, since there would be no "pass through" provision that would require the selection of a community action agency. The "pass-through" provision is completely inconsistent with the block grant approach which gives flexibility to the states in providing services. Most governors strongly oppose the pass-through provision in the CSBG Act. But the lack of such a provision in the SSBG Act, assuming the CSBG Act were repealed, should pose no threat to the existence of the community action agencies. As I noted earlier, they would still be drawing most of their support from funding authorities other than the CSBG. Secondly, those community action agencies which have been performing well over the years need not fear competition.

In addition to block grants to the states for social services, the CSBG Act authorizes a discretionary fund which is used to support programs of national or regional significance administered directly by the Office of Community Services. These programs include the National Youth Sports Program which received $5,760,000 in 1983, and programs in the areas of economic development, rural housing and assistance to migrant and seasonal farmworkers. The total expended for these latter programs in FY 1983 was $25.5 million. Under the proposal to repeal the CSBG Act, the National Youth Sports Program would be transferred to the Public Health Service whose FY 1985 budget request includes $5,760,000 to fund this program. The Office of Community Services has also been operating two loan funds, the Community Development Credit Union Fund from which $2.5 million in loans were made in 1983, and the Rural Development Loan Fund from which $10 million in loans were made in 1983.

The remaining programs are duplicative of other program authorities already existing within the Departments of Agriculture, Commerce, Labor, and Housing and Urban Development. It does not make sense for the Department of Health and Human Services to be funding economic development projects which are identical to projects funded from Community Development Block Grants or from Urban Development Action Grants, both administered by the Department of Housing and Urban Development. Another example of duplication is found in the program for rural housing repair and community facilities development conducted by the Office of Community Services. A very similar program is being conducted by the Farmers Home Administration in the Department of Agriculture. Finally, the Department of Labor operates multimillion dollar employment, training and housing support programs for migrant and seasonal farmworkers that are identical to those conducted by the Office of Community Services under its discretionary authority. The duplication of administrative staffs and federal monitoring and auditing created by the discretionary authority of the CSBG Act is wasteful and unnecessary. This would be true even if there were no federal deficit problem.

I am prepared to submit further documentation for the rationale for repeal of the CSBG Act outlined on this statement, a rationale which I hope this Committee and the Congress, in their concern for reducing the deficit, will find persuasive.

Mr. Chairman, this concludes my statement and I will be happy to answer any questions you or the other Committee members may have at this time.

STATEMENT OF DR. HARVEY VIETH, DIRECTOR, OFFICE OF COMMUNITY SERVICES, DEPARTMENT OF HEALTH AND HUMAN SERVICES, WASHINGTON, DC, ACCOMPANIED BY JERRY SPEERS AND SPENCER LOTT

Dr. VIETH. Thank you.

My deputy, Jerry Speers.

Mr. SPEERS. Good morning, Mr. Chairman.

Mr. ANDREWS. Good to see you.

Mr. VIETH. And Spencer Lott.

Mr. ANDREWS. Pleased to meet you, sir.

Dr. VIETH. I would like to read my opening statement because I think it will clarify our position and, hopefully, will answer some of the questions that I am sure that you have. So, if that's all right, Mr. Chairman, I will proceed.

Mr. Chairman, members of the committee, I am pleased to appear before you today to discuss the administration's fiscal year 1985 budget request for the Community Services Block Grant Program [CSBG]. The President's budget request for fiscal year 1985 does not include funding the CSBG program. The request does include $3 million to cover the salaries and expenses of 40 full-time equivalent positions to close out the block grant and discretionary activities of prior years.

The elimination of funding for the CSBG program need not entail any significant reduction in the range or quality of social services for the poor now being provided. Nor would the repeal of the CSBG Act necessarily signify the shrinking, much less the disappearance, of the network of some 900 community action agencies which have been receiving the bulk of the funds appropriated under the act.

This is because, on a nationwide basis, CSBG funds account for only 12 percent of the total community action agency funding.

According to a study by the National Governors' Association, funding for the community action agency network in fiscal year 1982 from all sources was $2.7 billion. Of this amount, $315 million—12 percent—came from the CSBG. The remainder included $36 million from the private sector, $13 million from State and local governments and $2.3 billion, which is 86.8 percent, from Federal funding authorities other than the CSBG. These authorities include the $1.9 billion Low Income Home Energy Assistance Program [LIHEAP] which makes extensive use of community action agencies to provide its services; the $1.0 billion Head Start Program, which uses community action agencies to deliver 60 to 70 percent services at the local level, and the Department of Energy's $190 million weatherization program which conducts roughly 85 percent of its activities through community action agencies.

In addition, community action agencies receive funds from a number of other federally funded programs, such as the Alcohol, Drug Abuse and Mental Health Services Block Grant, the Community Development Block Grant, Job Training Partnership Act and the Social Services Block Grant.

This breakdown is for the national network as a whole, of course, and the mix will vary from State to State. In California, for example, the CSBG's contribution to the State's 47 community action agencies, in 1982, represents 20 percent of their total funding. The trend among community action agencies toward diversification of funding sources has been accelerating over the past several years and has reached a point where elimination of a funding source contributing an average of only 12 percent of the community action agency's budget does not create an unsurmountable problem. In fact, many community action agencies use most of their CSBG funds for staff salaries, travel, rent, utilities, and other operating costs.

If the CSBG were terminated, it is not unreasonable to expect that the Federal and State agencies which use the community action agencies as a vehicle for delivering their programs would collectively work out some agreement for covering the community action agency's administrative overhead. After all, each of the programs which are supported from the various funding authorities

are allocated a certain percentage for administration which they can pass on to the community action agencies.

The Social Services Block Grant [SSBG], whose funding is increased in the President's fiscal year 1985 budget by $25 million bringing it to a total of $2.7 billion, is of particular relevance to the proposal to repeal the CSBG Act. The similarities between the purposes and kinds of activities conducted under the two block grants are striking. Both grants provide funds to the states for a variety of social services. For example, the SSBG funds, in-home services, and protective services for adults and children while services provided under the CSBG include all those described earlier as well as emergency assistance to meet the needs of low income persons in the areas of health, food, housing, and employment. These services are fundamentally similar and in each case are being offered to largely the same population.

The convergence of the two acts is equally manifest in their stated purposes. The purpose of the CSBG Act is to ameliorate the causes of poverty in communities within the State and each State receiving CSBG funds is required to certify, among other things, that it will use the funds to remove obstacles and solve problems which block the achievement of self-sufficiency.

This sentence echoes the underlying theme of the old Economic Opportunity Act, under which all community action programs were to focus resources upon the goal of enabling low income families and individuals to become fully self-sufficient.

Similarly, the stated purpose of the SSBG Act is not just to furnish a range of social services but to direct these services toward five goals, the first two of which relate to self-sufficiency. They read as follows:

(1) Achieving or maintaining economic selfsupport to prevent, reduce, or eliminate poverty; (2) achieving or maintaining selfsufficiency, including reduction or prevention of dependency.

The fundamental similarity in purpose, in clientele and in types of activities authorized by the CSBG Act and the SSBG Act has prompted the Department of Health and Human Services to couple its request for a repeal of the CSBG Act with a proposal to amend the SSBG Act to add alleviate poverty to the purposes section of that act.

One result of the enactment of the two legislative proposals would be a significant reduction in the excessive administrative costs incurred at all levels, Federal, State, and local, by the existence of two separate block grants in the same area of social services.

Another important result would be to give the States much greater flexibility in developing the mix of services and activities best suited to the unique economic and social needs of a particular state. A recurrent theme in the various conferences and workshops on block grants conducted by the States during the past year was the confirmation of suspicions that Federal priorities previously prescribed for categorical programs frequently differed from State and local priorities as reflected in their administration of the block grants.

According to a report prepared by the National Governor's Association, the experience with implementation, reinforced the thesis held by many of the policy planning and prioritizing idea, that needs and services can better be served by those closer to the target populations and service areas. The difference in prioritizing does not mean shortchanging the poor. The same report goes on to say that while there was some concern on the part of Congress and special interest groups that States would no longer target funds for those most in need, if not required under Federal law and regulation, this has not proven to be the case. The flexibility resulting from eliminating the CSBG and broadening the authority of the SSBG would also extend to the selection of local program operators, since there would be no passthrough provision that would require the selection of a community action agency. Most Governors strongly oppose the passthrough provision in the CSBG Act. But the lack of such a provision in the SSBG Act, assuming that the CSBG Act were repealed, should pose no threat to the existence of the community action agencies. As I noted earlier, they will still be drawing most of their support from funding authorities other than the CSBG. Second, those community action agencies which have been performing well over the years need not fear competition.

In addition to block grants to the States for social services, the CSBG Act authorizes a discretionary fund which is used to support programs of national or regional significance, administered directly by the Office of Community Services. These programs include the National Youth Sports Program, which received $5,760,000 a year, did in 1983, and programs in the area of economic development, rural housing, and assistance to migrant and seasonal farmworkers. The total expended for these latter programs in fiscal year 1983 was $25.5 million. Under the proposal to repeal the CSBG Act, the National Youth Sports Program would be transferred to the Public Health Service, whose fiscal year 1985 budget request includes $5.7 million to fund this program.

The Office of Community Services has also been operating two loan funds, the Community Development Credit Union Fund, from which $2.7 million in loans were made in 1983, and the Rural Development Loan Fund from which $10 million in loans were made in 1983.

The discretionary programs are duplicative of other program authorities already existing within the Departments of Agriculture, Commerce, Labor, and Housing and Urban Development. It does not make sense for the Department of Health and Human Services to be funding under economic development projects which are identical to projects funded under the Community Development Block Grants or Urban Development Action Grants, both administered by the Department of Housing and Urban Development.

Another example of duplication is found in the program for rural housing repair and community facility development conducted by the Office of Community Services. A very similar program is being conducted by the Farmer's Home Administration in the Department of Agriculture. Finally, the Department of Labor operates a multi-million-dollar employment, training, and housing support programs for migrants and seasonal farmworkers that are identical

to those conducted by the Office of Community Services under its discretionary authority.

The duplication of administrative staffs and Federal monitoring and auditing created by the discretionary authority of the CSBG Act is wasteful and unnecessary. This would be true even if there were no Federal deficits.

I am prepared to submit further documentation for the rationale for repeal of the CSBG Act, outlined in this statement. It is a rationale which I hope the committee and the Congress, in their concern for reducing deficits and for protecting the taxpayers' dollars, will find persuasive. Mr. Chairman, this concludes my statement. I will be happy to answer any questions you or the committee members may have at this time.

Mr. ANDREWS. Let me just say, sir, that I don't totally disagree with some of the statements you make, particularly on page 6. I will grant you that there is programmatic duplication in some instances. However, let me I guess disagree with at least part of what you say. You quote, on page 3, and perhaps elsewhere, what you refer to as a report of the National Conference of Governors, and you quote a portion of it which would seem, I believe, to lead the reader or hearer to indicate that you are saying that the National Conference of Governors agrees with you that, to the extent that they would also recommend that CSBG's be terminated, and therefore I ask you specifically, Does the National Conference of Governors recommend the termination of the Community Services Block Grant Program?

Dr. VIETH. I have no information that they are asking that the CSBG be zero funded. I do know that they like to have flexibility in how they run their programs, and I know that the 90-percent pass-through is a problem, and that if they could pick up more flexibility in the social services block grants, they would be in favor of that. And I also know, from what I read and from the several Governors that I have talked to, that they are terribly concerned about the Federal deficit. And if, in fact, CSBG activities are a priority to them, they should be able to work it out with other programs within the State. And as I said before, it does not represent the whole program, but really only about 12 percent.

Mr. ANDREWS. Well, I'm aware of that, sir, but I think the answer to the question as to whether you can tell us that the National Conference of Governors recommends what you are, in fact, recommending with respect to the CSBG's is simply not correct. You have no information to support that, do you?

Dr. VIETH. That's right.

Mr. ANDREWS. They may agree with you as to certain parts of what you say, but they do not agree as to the withdrawal of, that is to say, the termination of the program as a Federal program and, thence, the block granting of certain moneys?

Dr. VIETH. I have not really claimed that the National Governors Association is asking that this thing be zero funded.

Mr. ANDREWS. No; your statement doesn't say that, but it does tend to indicate that. It is part of what you said.

Dr. VIETH. Well, I'm sorry that if you feel that what you said is what we are trying to indicate. I think that the fact that, as I read

them, those facts should substantiate why we should merge it, whether the Governors indicate that they are for it or not.

Mr. ANDREWS. Good. That's your recommendation and not theirs. I guess that's the point I was trying to make. No, I don't totally differ with everything you are saying. There are duplications here and there, and we would be glad to try to work with you and other committees, I am sure, of the Congress would and have, and some of that has been accomplished. I don't think, however, that the relative, say 12 percent, that that represents much more, in my opinion, in terms of the ongoing activities of these various agencies than, in fact, the value of the money. The fact that it is a Federal program authorized by law and at least 12 percent of the needed funds come from here becomes the inducement, I think, from which the—you are really complementing, I think, the agencies tremendously when you say we can send them only 12 percent of the money and somehow or other they raise the other 88 percent. They are obviously doing a good job if they are able to do that. I don't know of any other agencies that are federally named that receive such a small percentage and yet get the job done. So I think what you say, really, is a great argument for the continuation of the program rather than the fact to the contrary.

But be that as it may, I realize it's an honest difference of opinion and I won't badger it any further.

Dr. VIETH. Could I answer that?

Mr. ANDREWS. Sure, sure.

Dr. VIETH. What I'm saying is that the $315 million represents about 12 percent of the total $2.7 billion. But also what we have to look at is the groups of people that this serves as an umbrella. Would this group of people be hurt if the CSBG were zero funded? I am saying "No." They can exist on a low income LIHEP, up to 10 percent can go into administrative costs. You were just talking about Head Start. We talked to the Head Start people just before we came here. That's a $1 billion program. Sixty and seventy percent of their projects are operated by the community action agencies. But they can pay up to 15 percent of that into administrative costs.

After talking to them, out of 1,200 programs, 400 were not under community action agencies, and we asked them, "Well, what do you see? Do you see something there where they are, in fact, running them less expensively? Are they better programs? Are they better managed programs?" And there is no information that that is true. In fact, they fall in the same view as everything else.

So what I'm saying is I think this is another layer. I don't think we really need to have that layer.

Now, the community action agencies are very good and there are some that are excellent. I've been there and I've seen them and I've talked with them and they will survive. Because the communities need them. The focus has to be from the community up. Thank you.

Mr. ANDREWS. Mr. Williams.

Mr. WILLIAMS. Thank you, Mr. Chairman. I'd like to follow on this line of questioning that the chairman was pursuing with regard to the Governors. There is no question but that we need flexibility, administrative flexibility, some of which is present in

the block grant concept. And Governors need that flexibility. However, it doesn't make sense to me to require the Congress to release both the money and the accountability of the money to the Governors. And it makes even less sense to me to have Tom Petri, Ike Andrews, Major Owens, and Pat Williams increase the taxes while the Governors get to cut the ribbons. Usually on a Wednesday when we can't get out there to help them, by the way. [Laughter.]

Dr. VIETH. You've noticed that too?

Mr. WILLIAMS. Yes; I think it is more human nature than policies. It leads the Governors to say, "You just send the money, Congress, and we'll decide how to spend it." Do you remember that old story about the preacher that was going down the road and he saw the farmer clearing the field and he got out and commended him on what a wonderful job he and God had done in clearing that field? And the farmer said, "You should have seen it when God had it all to himself." Well, you should have seen poverty when the Governors had it all to themselves. The Governors weren't doing a thing about poverty in this country for 150 years, until the public finally turned to the Federal Government and said, "This is a national problem. It crosses boundaries." And we need a Federal solution.

I think that until—for a quarter of a century now, until this administration, the solutions were working. And during this administration, for the first time in a quarter of a century, Americans are having a cutback in the commitment to that. And I just see it reverting to the former situation if we don't do something about it.

Dr. VIETH. I don't want to be argumentative, but I have been in a good position to have an overview on the war on poverty. I am the person that's been responsible for the closeout procedures. I've seen all the grantees and I've seen the things that have happened and I think the way it started certainly was exactly as you say, that somebody had to try and help eradicate or ameliorate poverty. But, in fact, it did not. In fact, the percentages were not changed that much. And I feel that this administration knows that if you're going to help poor people, it has to be at the local level where people care about them.

I know having served as a local official that categorical grants to my county were not helping our county. Not only that, but the people who were running those programs were not focusing, at least in that particular county, on what the county commissioners, the city councilmen, and the people who elect those people were doing. They were dealing with weatherization programs. They were putting tar on roofs of trailers that had no value, and we could do nothing about it.

So, I am saying that we are finding that there is a better spread across the State, the counties. There are more people served. We do not deal with grantsmanship in this program where somebody who is very good at grantsmanship can get the majority of the money. We know one State where 47 percent of the money went to one city.

So, I think that the States are much more sophisticated, the counties are more sophisticated, than they were before, and I also think the electorate is more sophisticated than it was, so, in fact, you're right. When it started there was a serious problem. But I

think that the people want, if anything, the people want to get it closer to where they are. So, Jerry?

Mr. SPEERS. Mr. Chairman, if I may, I'd like to follow up on the comment that Director Vieth just made. There are two rather remarkable results that we have found existing under the Community Services Block Grant Program, that once it moved from a categorical Federal run program into a block grant so that the States could have an opportunity to administer it for themselves.

The first is, and this is true almost across the Nation, the first is that there has been a broader geographical distribution within the States with respect to the availability of these funds for poor people. When the community services program was administered strictly by the Federal Government under categorical grants, many of the States were not fully covered. The programs and the funds were made available simply within certain counties within those States or certain cities, and certain areas within the States.

Once the States have had an opportunity to administer the programs across the Nation, we have seen that they have broadened the coverage so that the entire State is covered, and there is an opportunity for individuals within all of the State to participate in these programs, poor individuals throughout the State.

The second rather remarkable development that we have seen, once the States have undertaken the administration of these programs, is a far more equitable distribution within the States' distribution formula, with respect to the availability of these funds for the poor. Dr. Vieth made reference to one particular situation, where 46 percent of the funds going into a particular State went to one city but that city represented only 22 percent of the poverty population in that State. So the States, I feel, and the studies have borne out, have done a far better job in administering the funds under the block grant than has been the case when the program was a strictly categorical program administered by the Federal Government.

Mr. WILLIAMS. Where in the Social Services Block Grant is poverty used as an eligibility criterion?

I can't find the word "poverty" in the law on the Social Services Block Grant.

Dr. VIETH. I read the Stated purposes of the SSBG is not just to furnish a range of social services, but, and then it says, "achieving or maintaining economic self support to prevent, reduce, or eliminate poverty." And they deal with poverty levels. They deal with people who are really in poverty. That's the whole issue. And also achieving self-sufficiency, that's exactly, exactly what we're doing. And not only that, Congressman, but what we're asking is to put language into the SSBG so that there would be some competition for some of the programs that are very successful, maybe in your State or other States, that could compete with others that maybe are not.

So, we are not saying, as it reads now, but when you put "alleviate" in there that we can pull in all the same standards and things that—not the standards, but the same focus that we have. So——

Mr. WILLIAMS. Perhaps the law has been amended since this Public Law 97-35, which I have in front of me, was printed. But I read the same sentence you do and get different words. You said

that title XX says, "Achieving or maintaining economic self support to prevent, reduce or eliminate poverty."

Dr. VIETH. Right.

Mr. WILLIAMS. The law that I have before me says, "achieving or maintaining economic self support, to prevent, reduce, or eliminate dependency." Not poverty. Do we have two different laws here?

Dr. VIETH. I think not. I'd have to check. I know we took this out of——

Mr. WILLIAMS. Well, I can't find the word "poverty" in this law. But there are certainly no eligibility criteria and frankly—it doesn't make any difference. If we can find another law and avoid duplication, I'm for it.

Mr. VIETH. Sure.

Mr. WILLIAMS. But I want to administer these block grants, aimed at the poor, through a law that requires them to go to the poor, especially if we're going to turn it over to the Governors and let them decide. And I don't think this law requires that.

Dr. VIETH. You feel that at county levels and at State levels that the Social Services Block Grant is going to somebody other than poor people?

Mr. WILLIAMS. Well, you said that 46 percent of the money was going to a place with 26 percent of the poor in it.

Dr. VIETH. That's the CSBG.

Mr. WILLIAMS. So, in other words, it does happen. It happens in administration. And what we need to do is tighten down, not loosen up, on this flexibility by local officials.

Dr. VIETH. Congressman, that had to do with when it was a categorical CSA thing. I think now that that's not right, and not only that, but certain regulations that people have to go under in order to qualify, and some of that is called "the poverty level." You're talking, I think, in what I saw, changing this to 125 percent and 100 percent, or the poverty level.

So, there's no way that the Social Services Block Grant is not affecting poor people. And, again, the amendment that we're proposing would pull all of this in, into it. Just the word "by alleviating poverty". So, I think we've addressed that.

Mr. WILLIAMS. Thank you, Mr. Chairman.

Mr. ANDREWS. Thank you, Mr. Williams.

Mr. SPEERS. Mr. Chairman.

Mr. ANDREWS. Yes?

Mr. SPEERS. If I may make another comment.

Mr. ANDREWS. Surely.

Mr. SPEERS. I was very pleased to hear Congressman Williams express his pleasure in the thrust of the administration to bring about as much efficiency as possible, and I would like to just read for the record or write into the record the fact that the last administrative budget for the Community Services Administration was for $40 million. That was in fiscal year 1981. With the elimination of the Community Services Administration but the continuation of the program under a block grant, the Federal administrative budget for this year has been reduced to $4.3 million. That is a reduction in administrative costs of over 90 percent, and if we were to add in the administrative costs that the States may use in administering these programs (they have a limit of 5 percent of the

funds that they receive), it is still a reduction in administrative costs in this program of over 50 percent.

Mr. ANDREWS. You seem to be saying, then, that, if I understand it, that the Community Service Program, if operated as a block grant, in the block grant concept, is a good program.

Dr. VIETH. I am saying that it's a better program than it was and that if it were merged, that it would continue to exist.

If the merger, as we're recommending, took place with Social Services Block Grant, it would still continue to exist as a good program.

Mr. ANDREWS. What is the funding, Federal funding, for the program for fiscal year 1984?

Dr. VIETH. The total was $352 million and the block grant was $316 million, Mr. Chairman.

Mr. ANDREWS. How much are you recommending under the concept you propose, that funding be for 1985 and 1986?

Dr. VIETH. I am recommending zero budget. I just feel that during the period of soaring deficits, nonentitlement program ought to be able to pass two tests to qualify for continued funding. First, it must show that it's not duplicative of other programs, and second, there must be an overriding reason for continuing to fund it. The Community Services Block Grant,fails to pass either one of those tests. And we have a lot of entitlement programs that really we can do little about, so in order to protect the taxpayers and this country and the economic growth that we're undergoing now, I really feel that it's critical that we make these tough decisions. And yet we're still protecting the poor people.

So, I think it's essential.

And another thing, I was reading, before I came here, a recommendation the CSBG not only continue but be increased from $400 million to $425 million, and there are several that we are looking at. And if you will note that a family of four making a $15,000 income, the average per capita total tax burden, that's everything, I think city and everything, would be $3,832. In order for you to fund a $400 million program, it would take 104,400 taxpayers just to support that one program, and I think this is very important to put in the proper perspective. And not only that, but I really do not believe that by the merger that we are affecting the poor people that you are talking about. There are other things that are taking up that slack, and certainly if this country had a budget where we had a $200 billion surplus, it would be a different situation. Then your priorities can change and you can go into other kinds of programs.

Right now it's the truly needy that need to be helped, and I think that that is a logical thing to do.

Mr. ANDREWS. Well, I'd like to respond to that further but I don't want to deprive other members of an opportunity. Major Owens?

Mr. OWENS. Thank you, Mr. Chairman.

I find your statement quite astonishing, especially the last one concerning the number of taxpayers it takes to pay for this program. What percentage of the total Federal budget would you say this $315 million is?

Dr. VIETH. The percentage of the budget would be almost inconsequential other than the fact——

Mr. OWENS. Precisely. What is it, 1 percent?

Dr. VIETH. Let me finish.

Mr. OWENS. One-half of 1 percent? Is it one-tenth of 1 percent?

Dr. VIETH. Since I've been in this community for the last 2 years, I've found that in relationship to the total Federal budget, it's inconsequential. But $315 million in relation to any single county in this whole United States is one large amount of money and you're taking——

Mr. OWENS. We're not talking about that. We're talking about the total United States of America.

Dr. VIETH. We're taking money away from those counties by taxing them at the Federal level to pay for these programs when, in fact, they can take care of their own problems at home and raise their own taxes, and I think that's a function of reverting it back to the State and local level. And that's all I'm saying, Congressman.

I cannot compare $315 million to anything but $315 million. That's a lot of money.

Mr. OWENS. You ought to compare it to a few things in terms of modern costs. How many spare parts would it buy in the Pentagon? How many nuts and bolts? It's a very small cost for a program which you yourself say, in your testimony, you take 12 percent and you get the other 88 percent. The program is very successful, if for that small amount of money they are able to generate another 88 percent in the funding, and that 12 percent, you said, pays only for staff and rent and administrative costs. But that's not a small matter. None of the other programs pay for staff and administrative costs. They would not be able to operate them if they didn't have those staff and administrative costs.

The Head Start Program, since you gave the example of Head Start, if you have a Head Start Program which has 30 children, what is the administrative cost? What will 15 percent produce in terms of administrative costs?

Dr. VIETH. The answer to that question is that there are 400 programs in which 15 percent of the cost provides the whole program and they're able to function in the same relationship as they would if a community action agency were running it. And I think there's one misconception that I see in your argument and that is that it's not a leverage situation. In other words, the money is there. We're adding money on the top. And those programs would exist. You know, LIHEAP and Weatherization and Head Start and the Community and the Social Services Block Grants are going to exist, whether you zero this or not. It's not like a banker is going out and you're borrowing money and you are going to have some economic development project that cannot exist without your participation. That's what I'm saying, Congressman.

Mr. OWENS. They will exist but they will be administered through a more costly and bureaucratic structure and they won't get down as close to the people as these community action agencies are able to bring them. The Head Start Programs, for example, that are administered not by community action agencies, are ad-

ministered by existing social agencies that pay for it—that get their overhead from some other place already.

And if you don't have such agencies existing in certain communities, you will hit the rural communities very heavily. There is nobody there who can take a Head Start Program because you can't provide a decent bookkeeper for 15 percent of the cost that you'd get from a 30-child program, and yet there are many 30-child programs, many 60-child programs, that don't generate enough money to provide for the overhead themselves and if they're not attached to a community action program, they would go out of existence, just as there are many weatherization programs and low energy cost programs in local communities that also would be administered at a higher level with the administrative center being further away and it being less effective as a result.

Now, for this tiny percentage of the total budget, Federal budget, which you can't even put in any kind of statistical perspective because it's so small, you get a program which is going to do a variety of things that have never been done before, and by your own admission they are being better administered now than ever before, as a result of the block grant.

Why do you want to phase out the block grant? Is it because there has been a decrease in the number of poor? Do you relate at all the great increase in the number of poor with the fact that the Reagan administration has made a number of cuts and a number of recommendations of zero funding in the budget over the past few years. Is there any relationship to those two?

Dr. VIETH. You have a lot of things on the platter. I would just like to say that I think that you and I have a disagreement and for the record I will certainly provide all the information to substantiate how I feel that the fact that community action agencies are not necessary for a Head Start program to work in a rural area or a lot of these other programs.

I have some personal experience with that, but you know, since we are both kind of coming off different information, I will give that all to you.

[The information follows:]

Currently 40 percent of Head Start projects are operated by CAP agencies. In some instances, they provide administrative support to Head Start projects at reduced costs. In other cases, however, where the Head Start program may be larger than the rest of the CAP's operations combined, Head Start may be providing a disproportionately larger share of the CAP's overhead costs.

Over the years, an increased number of Head Start projects have separated from CAP agencies and have continued to provide Head Start services efficiently and effectively. It is not true that the Head Start program cannot survive without the CAP agencies.

Dr. VIETH. As far as the Reagan administration causing the poverty, I do feel that there was a recession and it was a problem, but I don't think that you can underestimate the fact that there have been 4 million jobs created. If you look at any poverty program, the best thing you can do for anyone in this country is to provide jobs. Nobody wants to be subsidized. The people that want to be subsidized aren't happy with it. What they want to do is to be able to provide for their family as you do and as I do, and that's why it's very important, and I hate to keep using the word "deficit" but everybody's using it in a lot of different ways. Here's a chance to

slow down the deficit, at least in this area. And as I say, the people will still be served. The people will still be served.

Now, I'm not going to sit here and say a $300 million cut will not be felt. But on the other hand, by efficiencies and with all the different administrative costs going all the way on down the ladder from the Federal to the State to the local, I think you'll be able to pick it up. The most important thing is prioritizing. Who are you trying to help? You're trying to help the truly needy. And sometimes the problem is that we get so wrapped up in the Federal structure and the way these things go out that sometimes you are allocating funds that are spread out and if you could focus them on the truly needy they could live a better, more rewarding, life. And that's really what we're trying to do. And you can blame the administration but that has nothing, really, to do with right now, when we're trying to do something about the budget, even though you say it's not a lot. I could never agree that $300 million is not a lot, and when I do I'd like to leave this community, because that is a lot of money.

It's a lot of money when you have to work 3 or 4 months, 100,000 families, have to work 3 or 4 months just to provide for this one program, and that takes on a whole different focus as to the importance. That's all, Congressman. And I'd be happy to get all that information because we do have it, and we'll put it together for you.

[The information was never provided.]

Mr. OWENS. Well, we won't go into how long three or four families have to work to provide an M-1 tank or an aircraft carrier. We won't go into that.

I just think it's important to note that with a very small amount of money you reap a great return.

You speak of personal experiences. I don't think they're really relevant. But I'm speaking from personal experience too. I was an administrator of a community action program once, and since we, at one point, under Howard Phillips and Richard Nixon, there was a recommendation of zeroing the budget also, and there seems to be a vendetta, an inquisition, that's been waged against this tiny little Federal program for years and years by Republicans and conservatives, and I don't think it has anything to do with fiscal management or fiscal reality. It has nothing to do with saving money.

At the height of the Community Action Program there were 100 auditors assigned to it and three assigned to the Pentagon at that time. Things have changed, frankly. But that gives you some idea of the ridiculous ordering of priorities in terms of saving money.

If you want to save money, this tiny program is not the place to look toward saving money. I think that the biggest and the most important thing is that we're being irrational in not acting even in accordance with our own stated principles of management and good government when we attempt to eliminate a pivotal program which saves money and, incidentally, provides jobs for thousands of people also, in the process, thousands of very poor people, needy people, who don't have the credentials to go into the county civil service or the city civil service, but they are provided with these jobs and they do a very good job as admitted, I think, even in your paper you admit, that a good job is being done.

And I think that your recommendation of zero is a continuation of an irrational vendetta against a very tiny program which really does a great service for people who are truly needy.

Dr. VIETH. Well, I just want to guarantee you, Congressman, that in no way do I have a vendetta against community action agencies, and in no way do I think that 900 community action agencies will cease to exist when the budget is determined and it's at zero funding. And also I would just like to say one thing. You brought up about the defense budget, or not the budget, but certainly the waste and abuse. I think it's under this administration that the inspectors general brought that to light, that people were paying $900 for a screwdriver. And so I think that we can say that, again, that the administration wants to work in a businesslike way and that's why a lot of these programs are being cleaned up—that's not the right word—but certainly more efficient. And we want to continue doing that and I'm very proud that we've been able to do as much as we have at this time.

But, I will get everything that you need and if you need anything else, we'll get anything.

Mr. OWENS. Do you have any figures which show the number of community action agencies that have been closed since the community services block grant went into effect?

Dr. VIETH. Well, I don't. I was talking to the president of NCCEDA the other day and I asked him how many community action agencies there were, and he said about 900, and also that there were some LPA's. I can't really say how many have been closed. But I'll tell you one thing, the good ones will survive.

Mr. OWENS. Did you collect any data of that kind?

Dr. VIETH. No.

Mr. OWENS. It's not important?

Dr. VIETH. The first part of your question——

Mr. OWENS. You just said that the good ones will survive.

Dr. VIETH. Congressman, the first part of your statement I agree with. We do not collect data of that form. The fact that it's not important I do not agree with. We are trying to lessen the burden on the States and on the community action agencies so they don't have to provide this information. But on the other hand, we have provided some funds have put out on a volunteer basis in which we are getting this kind of information through two groups, one of which is the National Governors' Association.

We have to take the burden off these people so they can just take care of the poor people and not be hiring one separate person to pass paper back and forth.

And I have a lot of respect for the States, that they are going to spend the money to help the poor people, if in fact that's what is designated, and it will be, because that is what we're recommending.

Mr. OWENS. Thank you. Thank you, Mr. Chairman.

Mr. ANDREWS. Thank you very much.

Dr. Vieth, this is by request. Our colleague, Wes Watkins of Oklahoma, who is chairman of the congressional rural caucus, has submitted a number of questions regarding the Rural Development Loan Fund. With your permission, I won't attempt to propound those at this time, but instead would ask, if I just give you this list,

would you please respond to him, say, within 30 days in writing, and we will not go into it?

Dr. VIETH. Mr. Chairman, I have talked with him several times on the phone and we are being very cooperative and, in fact, at this point we're even supportive of what he is trying to do. So, we will do all we can and within 30 days he will have anything he needs.

Mr. ANDREWS. Very good. Thank you, sir. And thank each of the three of you for your presence here this morning. I'm afraid we didn't do a very good job of persuading each other of our point of view, but thank you for sharing your information and opinion with us.

[The information in response to Wes Watkins' questions follows.]

Mr. Stokes. In September 1983, the Office of Community Services conducted a Reduction-in-Force (RIF). Why was it necessary to conduct this RIF?

Dr. Vieth. By September 1983, one of the major missions of OCS--the closeout of the former CSA grants--had been virtually completed. Therefore, regional staff and the closeout staff in headquarters were no longer needed. Further, OCS was funded under a Continuing Resolution enacted on October 1, 1983 which mandated that where the House and Senate differed, the lower figures would control. The House recommendation for staffing level was 55 positions. The 1984 Appropriations Bill was not enacted until late October 1983. Because of the completion of the close-out of the Community Services Administration grants, OCS underwent a major reorganization. The 55 FTE figure represents the required staff to carry out the on-going mission of our agency.

Mr. Stokes. How many people were affected by the RIF?

Dr. Vieth. 40 in Headquarters as follows: 5 Retirements, 5 placements in other agencies, 3 Separations, 1 resignation, and 26 changed to a lower grade.

All remaining 72 positions in the 10 OCS Regional Offices were abolished on September 30, 1983. All employees were affected. Forty employees elected retirement options, 24 employees were placed in other Federal positions and 8 employees were separated.

Mr. Stokes. What was the total cost of the RIF?

Dr. Vieth. The total cost of the RIF in FY 1983 was $1,130,760.

Mr. Stokes. What efforts were made to find new jobs for the employees affected by the RIF?

Dr. Vieth. Considerable outplacement efforts were undertaken by OCS, the Office of the Secretary, and the HHS Personnel Office. This resulted in 5 placements in Headquarters and 24 placements in the regions.

Mr. Stokes. How many people are currently employed in the Office of Community Services?

Dr. Vieth. 64 (7 are assigned to the Secretary's Task Force on Food and Shelter for the homeless).

Mr. Stokes. What assurances can you give us that the current employment number is sufficient to properly administer the Community Services Block Grant?

Dr. Vieth. Based on our past experiences, we feel this number is sufficient. Further, other block grants are administered with considerably fewer staff--from 25 to 40 FTEs.

Mr. Stokes. What is the status of the lawsuit filed against the Department of Health and Human Services by the former employees of the Community Services Administration? Has it been resolved? If so, how?

Dr. Vieth. The lawsuit is pending before the Merit Systems

Protection Board.

Mr. Stokes. How would the $2.919 million requested in FY 1985 for the close-out of the Community Services Block Grant be used?

Dr. Vieth. The $2,919,000 will be used for salaries, personnel benefits, and associated administrative expenses.

Mr. Stokes. How did you determine the amount of $2.919 million?

Dr. Vieth. Projected costs of salaries and benefits of a staff of 40 employees plus other administrative costs such as travel, rent, printing, supplies, telephone, etc., were calculated to arrive at a FY 1985 estimate of $2,919,000.

RURAL DEVELOPMENT LOAN FUND

Mr. Watkins. At the present time, how many RDLF recipient organizations are there?

Dr. Veith. Twenty-eight (28).

Mr. Watkins. What can you tell us about the impact of the RDLF program? How many rural poor have been assisted with jobs through the RDLF program? How many new businesses have been started through the RDLF program? How many existing businesses have been saved through RDLF resources?

Dr. Vieth. The management reports under CSA were inadequate to provide this documentation. However, we have installed new reporting requirements which, in the future, will include data on program impact. We should be able to give you a clearer idea as to the effectiveness of the program after we have analyzed our first impact reports due on July 31, 1984.

Mr. Watkins. How many full-time staff of the Office of Community Services (OCS) are assigned to this RDLF program?

Dr. Vieth. Five (5) professionals and one (1) secretary are assigned to Division of Business Development Loans. This division administers the RDLF and CDCU programs, with staff splitting time between each program.

Mr. Watkins. Are all the required audits of the RDLF recipients current?

Dr. Vieth. Of the 28 recipients, 9 audits have been received, 12 are due but not yet received, and 7 are not yet due.

Mr. Watkins. How are the operations of the RDLF recipients monitored by OCS?

Dr. Vieth. Monitoring activities focus essentially in three areas: (1) repayments, (2) semi-annual reports on financial and programmatic activities, and (3) on-site visits to verify compliance with the statute and regulations and to provide information with regard to recipient's performance.

We are vigorously following up on repayments and delinquencies. We have in place new reporting procedures and requirements which will enable us to track much more efficiently a recipient's performance in the future; and we will begin on-site monitoring of all

recipients in the near future.

Mr. Watkins. Have the successful applicants for RDLF funds approved in 1983 received all their funds from OCS?

Dr. Vieth. The loan awards were made on December 30, 1983. Before funds may be disbursed to the recipients, several loan and other documents need to be signed by the recipients. This office is just beginning to receive the documents from the various recipients, and as soon as all required documents are in from any recipient, the funds will be disbursed according to the approved RDLF work programs.

Mr. Watkins. How many states with large rural areas are not presently being served or covered by this RDLF program?

Dr. Vieth. Three of the presently operating RDLF recipients serve or cover the entire United States. They are: National Rural Development and Finance Corporation, Housing Assistance Council and Rural America.

In addition, the following is a listing of the remaining operational RDLF intermediaries and the geographical areas that they serve:

Intermediary	Geographical Area Served
Delta Foundation	State of Mississippi and parts of Arkansas & Tennessee
Mountain Association for Community and Economic Development	49 Appalachian counties of Eastern Kentucky
Impact Seven	6 counties in Northwestern Wisconsin
Midwest Minnesota Community Development Corporation	10 counties in Minnesota
Blue Mountain Action Council	State of Washington
Coastal Enterprise, Inc.	Southern Mid-Coastal Maine
Community Enterprise Development Corporation	State of Alaska
Davis County Private Industry Council	Davis County, Utah
Michigan Economic for Human Development	11 counties in Michigan
Chicanos Por La Causa	Yuma, Pima, & Somerton Counties in Arizona
Southern Cooperative Development Fund	States of Louisiana, Alabama, Mississippi, Georgia, South Carolina, Florida, Kentucky, Tennessee, Missouri, Virginia, West Virginia & North Carolina
Southwest Virginia Community Development Fund	Craig & Botetourt Counties in Virginia
Corporation for New Enterprise Development	6 parishes in Louisiana

Community Equity Investment, Inc.	Pensacola & Escambia Counties in Florida
Lokahi-Pacific Corporation	Islands of Maui, Molokai and Lanai
Northern Community Investment Corporation	State of Vermont and Carroll, Coos & Grafton Counties in New Hampshire
Seminole Economic Employment Development Corp.	Seminole and Dade Counties in Florida
Community Improvement Council	Danville, Virginia
North Carolina Fund for Rural Development	30 counties in the Coastal Plains area of North Carolina
Tri-Island Economic Development Council, Inc.	U.S. Virgin Islands
Sandusky County	Sandusky County, Ohio
Federation for the Agro-Ind. Dev. of Puerto Rico	8 counties of Puerto Rico
So. Allegenies Planning & Development Commission	6 non urban areas in southern Pennsylvania
City of Canton	City of Canton, Ohio
OURS-DELACO	Delaware County, N. Y.

Mr. Watkins. How many visits to RDLF recipients have been made by OCS personnel during the last six months? In the last year?

Dr. Vieth. Four on-site visits have been made to recipients to resolve issues raised by the Inspector General. Monitoring site visits are planned to existing recipients during the next year.

Mr. Watkins. Does OCS have written procedures for administering the RDLF program? If not, why not?

Dr. Vieth. Procedures for administering the RDLF Program are found in the program announcement (OCS No. 84-1) and in the new regulation for the program (45 CFR 1076) December 1983. These administrative and regulatory requirements involve substantial changes in the program. Loan award documents have been revised and reporting requirements changed to make them consistent with the new regulations.

Mr. Watkins. What loan administration procedures does HHS presently follow? Have these procedures been implemented by OCS?

Dr. Vieth. OCS is following the procedures set forth in the Regulation and Program Announcement such as: (1) Establishing repayment schedules, (2) Reviewing required loan documents prior to relaese of funds, (3) Reviewing the annual administrative budgets, and (4) Reviewing better financial and activity reporting formats.

Mr. Watkins. OCS is presently making long-term loans of fixed interest rates. What procedures do you have in effect to adjust these rates in accordance with changing financial market interest rates?

Dr. Vieth. At present, we do not anticipate changing the RDLF loan interest rates. However, the interest rates of most RDLF loans made by CSA, before it was closed, will change after approximately a year and a half from one percent to approximately 10%. The impact of this change is under review by my staff. If at any time in the future circumstances dictate that a change in interest rate is in the best interests of the Government and the beneficiaries of the program, OCS would notify all recipients and take whatever action is necessary to effectuate such a change as quickly as possible.

Mr. Watkins. What are the training and technical assistance needs of RDLF recipients and how does OCS provide assistance to the loan recipients?

Dr. Vieth. RDLF recipients were chosen on the basis of their previous experience and the likely prospects for conducting successful programs. A considerable interest-spread subsidy was built into the RDLF program to provide for any technical assistance as each recipient may deem necessary for itself.

Mr. Watkins. The Senate Appropriations Subcommittee on Labor, HHS and Education directed OCS to obligate RDLF fund balances by December 31, 1984. What is the unobligated RDLF fund balance and what is your timetable to comply with this congressional directive?

Dr. Vieth. The Administration is proposing, subject to the approval of Congress, to transfer $8,866,000 (the current balance of the fund is $10,028,080) to the Department's administrative accounts to pay increased salary costs.

Mr. Watkins. When will an announcement be published in the Federal Register concerning the availability of the funds during 1984?

Dr. Vieth. It is the position of the Administration that no additional funds should be obligated in 1984. Therefore, no announcement will be made pending Congressional action on the Administration's proposal.

Mr. Watkins. Would a proposed use of RDLF fund earnings for federal salaries be consistent with the intent of the legislation? What is the OCS rationale and justification for such use as federal salaries from RDLF funds?

Dr. Vieth. In FY 1983, Congress approved a similar transfer of $20,251,000 for such use and provided appropriate legislation.

Mr. Watkins. As far as I am able to determine, OCS has no formally prescribed procedures for awarding RDLF loan funds, and OCS used procedures prescribed by HHS for making competitive discretionary grant awards. Is this correct? If not, what procedures were followed?

Dr. Vieth. The procedures for awarding RDLF funds in 1983 were formally prescribed and published in the November 30, 1983 announcement of the availability of funds, which appeared in the Federal Register. These procedures were developed from the Departmental Broad Policy Guidance on Assistance which is set forth in the DHHS

Grants Administration Manual, elaborated to accommodate the specifics of this supplemental appropriation language. Departmental experts in the HHS Office of Procurement, Assistance, and Logistics (OPAL) reviewed the program announcement and found it to be generally satisfactory.

Mr. Watkins. Chapter 1-55 of the HHS Grants Administration Manual states: "The granting agency shall publish its criteria for evaluating grant applications either in the program regulations or the program announcement. If the criteria are not equal in importance, their relative weights shall also be published." A review of RDLF program regulations and the 1983 program announcement indicates that this was not done by OCS. Why not?

Dr. Vieth. Funding procedures and rating criteria for the 1983 RDLF awards are described in the program announcement. As stated there in: " Rating Criteria: Applications will be reviewed and rated on the basis of the criteria listed below (Attachment A). The criteria are presented in order of their importance." This qualitative manner of publishing relative weights was adopted by OCS, in order to accommodate the Congressional directive to give priority consideration to non-profit organizations with previous experience in administering activities under the RDLF on the basis of performance standards to be developed by the Department.

Mr. Watkins. This same HHS Grants Administration Manual, in Chapter 1-62, states: " in addition to any other reviews, each competing application shall be objectively reviewed by a group of at least three qualified independent people" (Ch. 1-62-10). How many persons reviewed each RDLF loan application?

Dr. Vieth. Each RDLF loan application was reviewed in depth by a highly qualified technical reviewer for compliance with the published criteria. These reviews were then examined by senior program office staff, who arranged additional reviews in cases where the first review did not appear to fully explore the application. Prior to making funding decisions, I received both initial and supplementary reviews, as presented by their authors in person, with senior program officials available for in-depth discussions.

In accordance with the procedures developed for this specific program, each application was reviewed by a highly qualified technical reviewer and fully discussed by senior program office staff.

Mr. Watkins. The HHS Grants Administration Manual directs that members of the review panel be independent from the office which has responsibility for administering the program. (Ch. 1-62-10.) Did staff of the RDLF program office and other OCS staff members serving as federal program officers for some of the RDLF applicants participate in the loan application review process? If so why was this done in violation of departmental procedures?

Dr. Vieth. There was no breach of departmental procedures involved in the use of OCS staff reviewers, in accordance with Ch. 1-62-10.C4 of the referenced HHS Grant Administration Manual.

Mr. Watkins. The HHS manual requires: "Each member of the independent review group shall numerically score each application against the published criteria." (Ch. 1-62-40.c). Did reviewers of the RDLF applications assign numerical scores? If not, what were their instructions?

Mr. Watkins. The HHS manual also requires a ranked order of applications using only the numerical scores given by the members of the independent review group (Ch. 1-62-50.A), and it requires the approving official to put in writing his or her reasons for departing from the rank order in making funding decisions (Ch. 1-62-50.B,C). Did OCS establish a rank order of loan applications based on a numercial score given by reviewers? If not, why not?

Dr. Vieth. The answer to both of the above two questions is that the review of 1983 RDLF applications did not involve numerical scoring, but, in accordance with the published rating criteria, qualitative estimates of the degree of applicant compliance with each of the several ordered criteria. This procedure was designed to accommodate the joint imperatives of Departmental policy and the 1983 supplemental legislative guidance requiring that priority consideration be given to prior RDLF recipients.

Mr. Watkins. Did OCS follow any rank order in making decisions on the most recent round of RDLF funding?

Dr. Vieth. Yes. Applications were grouped and ranked in accordance with the evaluated degree of compliance with the several published criteria, and were taken up for consideration of funding in accordance with this grouping and ranking.

ELIMINATION OF THE CSBG

Mr. Early. To what extent will the Social Services Block Grant be authorized to fund activities which were funded under the Community Services Block Grant? (With the exception of the National Youth Sports Program.)

Dr. Vieth. As I noted in my opening statement, the Department has submitted a proposal to Congress so that the SSBG Act be amended to include as one of its purposes the alleviation of poverty. This would extend the reach of the SSBG, already the most flexible of the block grants, to the vast majority of the services now being provided to poor people under the CSBG. I should point out that most of the programs being conducted by the primary recipients of CSBG funds, the community action agencies, are supported from other federal funding authorities and would not be governed, therefore, by any limitations in the SSBG Act.

Mr. Early. Will the Social Services Block Grant be appropriately increased to offset the proposed elimination of the Community Services Block Grant?

Dr. Vieth. The SSBG will be increased by $25 million which will bring the total funding of this block grant to $2.7 billion. I am not contending that this increase of $25 million will be sufficient to offset the elimination of the CSBG. The merger of the CSBG and the SSBG makes sense because of the savings that will be realized from the elimination of overlapping administrative bureaucracies and regulations at the federal and state level. When you get to the local level where the CAAs operate, I realize that even with the new flexibility in use of SSBG funds that would result from adding a sixth purpose---the alleviation of poverty---to the SSBG Act, there will still be keen competition for SSBG funds. What I am suggesting is that there is a very large amount of other money available to keep

the CAAs functioning. These other funds derive from the administrative budgets of the federal programs that use CAAs to deliver their services. In my opening statement, I pointed out that the CSBG accounts only for 12% of the CAAs' total budget and that 86.6% or $2.3 billion of the CAAs' budget comes from other federal sources. For example, the Low Income Home Energy Assistance Program (LIHEAP) uses CAAs to deliver 80% of its $1.9 billion program. Of this amount, up to $150 million is available for administrative costs. Another example is the Head Start Program; 65% of Head Start's $1.1 billion program is operated by CAAs with monies for administrative overhead totalling over $100 million. Many other federal programs with administrative budgets running from 10 to 15% of their total appropriations use CAAs as delivery vehicles. These programs include the Department of Energy's Weatherization Program, the Department of Labor's Job Training Partnership Program, the Department of Agriculture's Commodity Distribution Program, ACTION's Foster Grandparents and Senior Companion Programs, the Administration on Aging's Elderly Nutrition Program, HHS' Alcohol and Drug Abuse Program, HUD's Community Development Block Grant Program, the Farmers Home Adminstration's home loan and rehabilitation program, etc.

Mr. Early. Your opening statement notes that "most governors" oppose the 90% pass-through provision. What documentation do you have for this statement and how many of the governors have gone on record as opposing this provision?

Dr. Vieth. On September 16, 1983, Raymond Scheppach, the Executive Director of the National Governors' Association wrote a letter to Senator Orin Hatch, Chairman of the Senate Labor and Human Resources Committee, in which he stated that the National Governors' Conference was opposed to the "grandfather" feature of 90% pass-through provision. The letter (Attachment B) went on to explain that the governors had no objection to earmarking funds for community-based organizations with boards on which the poor were represented. What they did object to was the restriction placed on their selection of organizations to replace existing community action agencies which failed to meet fiscal and accounting standards or which voluntarily discontinued operations. Under the pass-through provision, if a governor wanted to continue to provide services in these situations or to extend the program to an area hitherto unserved, he was required to select a community action agency or limited purpose agency that had previously been funded by the Community Services Administration. I have been assured by Mr. Sheppach's office that the National Governors' Association is still opposed to this restriction. Two recent studies of the implementation of the CSBG make the same point. One of these studies, funded by the NGA, concludes that "the grandfather clause requiring that 90% of CSBG funds be passed through to CAAs...has seriously constrained decision-making". A second study carried out by the Urban Institute noted that "the 90% earmark for existing grantees sharply limited what might otherwise have been a significant opportunity for state governments to exercise differing priorities from the federal government."

Mr. Early. Would you briefly highlight the opposing rationale?

Dr. Vieth. HHS believes that any pass-through requirement is a needless and costly restraint on priority-setting and decision-making at the State and local level.

States should have the same flexibility under the CSBG that they enjoy under other block grants to choose the best qualified service

Dr. VIETH. Thank you very much.

Mr. ANDREWS. Next we have Mr. Charles Gilchrist of Montgomery County, MD, who is also Chair of the National Association of Counties Advisory Committee on Head Start. And we welcome you, Mr. Gilchrist, and if you would please introduce your companion.

[Prepared statement of Charles Gilchrist follows:]

PREPARED STATEMENT OF THE HON. CHARLES GILCHRIST, COUNTY EXECUTIVE, MONTGOMERY COUNTY, ON BEHALF OF THE NATIONAL ASSOCIATION OF COUNTIES (NACO) [1]

Mr. Chairman, members of the subcommittee, I am Charles Gilchrist, County Executive of Montgomery County, Maryland. I am here on behalf of the National Association of Counties, as Chair of NACo's Head Start Advisory Committee. I am Accompanied by Patricia Johnson Craig, NACo's Director of Human Resources.

NACo strongly supports the reauthorization of the Head Start Program because county governments recognize the important role Head Start has played in strengthening family and community structures and in protecting and enhancing the lives of needy citizens. NACo encourages Congress to expand the number of children served by this essential program.

Traditionally, our society expects parents to accept full responsibility for the care and protection of children. During the past century it has become painfully clear that many parents are not able to provide the protective environment children need to thrive. It is easy to blame the parents, but this ignores the social and economic pressures—including unemployment, racial and sexual discrimination and poverty—which daily confront millions of American families. Families headed by only one parent are paticularly vulnerable to poverty; forth-two percent of female-headed households are in poverty.

Employment of families in poverty is the most effective means of helping relieve them of many of today's social and economic pressures. However, many families, especially those headed by single parents, need support services such as child care to enable them to work and become taxpayers. Quality Child Care and Head Start are vital components in a network of local support services.

I serve as Chair of an advisory committee to a NACo project working to promote coordination in the delivery of services to children and families. Through the project, NACo encourages counties to use Head Start as a basic building block in coordinating service delivery. In meeting the needs of children, Head Start programs and country governments both play a role as providers, facilitators, and coordinators of child and family-related services at the local level.

While responsibilities of country governments for meeting the Health and Human Services needs of their residents have been growing, the financial resources available to counties remain limited. Some counties are responding to these challenges by taking steps to improve delivery of services to children and their families by developing or strengthening linkages with providers like Head Start. Some examples from the NACo project include:

The Hennepin County (Minnesota) project, county representatives and the Head Start grantee have formal collaborative agreements under way, including a protective services and the early and periodic screening diagnosis treatment program. They also sent notices of available Head Start services with checks for aid to families with dependent children (AFDC) recipients.

The group is also convening in-service training meetings between county social services staff and Head Start staff.

The Head Start grantee in Chautauqua County (New York) delegates its Head Start programs to the three school systems within the county, and serving 280 children.

The NACo project working group is examining how to improve transportation problems in rural areas and access to medical services for Medicaid eligible families. The group has been convening meetings with the County Dental Association to explore ways of encouraging local dentists to accept Medicaid children as patients.

[1] The National Association of Counties (NACo) is the only national organization prpresenting county government in the United States. Through its membership, urban, suburban, and rural counties join together to build effective, responsive county government. the goals of the organization are to: Improve county government; serve as the national spokeman for county government; act as a liaison between the nation's counties and other levels of government; achieve public understanding of the role of counties in the Federal system.

In Santa Clara County, (California): The project is coordinating child abuse and neglect services. Currently, these services involve many different county government agencies and private service providers. Given the nature of the Head Start Program, it can be an effective child abuse prevention tool, especially if knowledge and information are shared.

County Governments provide their citizens with a range of services and programs that support families. These include family and juvenile courts: Health care, such as well-baby clinics; mental health counseling; social services and welfare programs; child protective services; job training and rehabilitation; and a wide range of recreational and educational facilities. Many of these programs are provided with a combination of county, State and Federal resources. This partnership of funding and rule setting illustrates that there is a role for each level of government in providing services that support families. Especially from the funding standpoint, this intergovernmental partnership is essential.

Quality Child Care and Head Start are vital components in this partnership. Congress recognized the importance of child care last year by increasing the appropriation for the title XX Social Services Block Grant commonly thought of as the "glue that holds social programs together." Head Start is also a comprehensive program that helps many families by providing children with education, nutrition, health mental health and dental services. Head Start has also proven effective in integrating handicapped children into the mainstream of society at an early point in their lives.

During the past twenty years, Head Start and other Federal, State and local programs have resulted in great improvements in the health and well-being of our Nation's children. Yet, despite the progress and public concern for children, many are still confronted by a multitude of new and old problems. Nearly 12 million children remain in poverty. Almost 9 million live in unsafe housing. As many as 5 million children fend for themselves for a significant portion of time while their parents work. Nine million have no known source of regular health care.

These and other unmet needs seriously challenge us as elected officials to consider the proper role of government at all levels in family matters. As an indication of county officials' concern, NACo's Human Services Steering Committee chose as its primary focus for 1983–84 to concentrate on family and child issues.

As a Federal program, Head Start is unique in its ability to adapt to community priorities and needs. For many parents Head Start offers the first chance to influence what happens to their child outside the home. Head Start encourages parents to see themselves as the primary teacher and advocates of their children. There are numerous examples from our program in Montgomry County which demonstrate how Head Start has served as a catalyst for development and growth of the entire family. I recall one parent who became a paid classroom aide in 1965. With the encouragement of her peers and Head Start staff, she took and passed the GED high school equivalency test. With the aid of Head Start training funds, she was able to take classes from a local community college and became a Head Start teacher. She went on to complete her bachelor's degree in 1974 and is now completing her master's degree. She has served as a role model for her daughter who has recently graduated from George Washington University with degree in engineering.

A look at recent studies of Head Start reveal why NACo is so adamant in its support of the program. Head Start children are shown to score better than children not enrolled in the program on standardized intelligence tests, school readiness, math, language, vocabulary, expressive communication, and perceptual skills. Head Start has proven to be effective in linking children with medical screening (87 percent in 1983) as well as long term medical treatment (97 percent in 1983). Perhaps of most significance is the finding that the greatest benefit is derived for children who are most in need of help—those who come to the program with the lowest intelligence scores and children of mothers with less than a tenth grade education. These and other studies demonstrate the preventive nature of early childhood programs such as Head Start.

Approximately ten percent of the Head Start grantees are city or county governments. In addition, counties actively support their local Head Start programs through in-kind contributions such as the use of a facility or county personnel. In some cases, counties contribute additional dollars to enable the Head Start Program to serve additional children.

In my own county, we are the direct grantee for the program. Services are provided through the Montgomery County public schools as well as one center in the upper county through the Boyds Head Start Center I realize that the financial situation of our county is unusual in that we contribute 67 percent of the total budget for the Head Start Program. This support is evidence of the high value placed on

the program. These additional funds allow our program to serve 90 percent of the income-eligible children, as compared with less than 20 percent being served nationwide.

NACo supports the availability of Head Start services for all income-eligible children. Many existing programs have an extensive waiting list of children they are unable to serve. We are most concerned, however, for those communities who have no Head Start Program as these children, despite their level of need for the program, cannot even be placed on a waiting list. Our survey of over 40 States has revealed startling examples of inequity: Texas—121 counties out of 236 receive no Head Start; Louisiana—25 counties out of 65 receive no Head Start; Virginia—78 out of 100 counties receive no Head Start; and New Mexico—10 out of 31 counties receive no Head Start.

We will be happy to provide your subcommittee with further details of our survey.

In closing, I want to commend you subcommittee for your support of this excellent program and urge you to pursue avenues to enlarge the number of children for whom services are available.

STATEMENT BY CHARLES GILCHRIST, COUNTY EXECUTIVE, MONTGOMERY COUNTY, MD, AND CHAIR, NATIONAL ASSOCIATION OF COUNTIES ADVISORY COMMITTEE ON HEAD START, ACCOMPANIED BY PATRICIA JOHNSON CRAIG, DIRECTOR OF HUMAN RESOURCES, NATIONAL ASSOCIATION OF COUNTIES

Mr. GILCHRIST. Thank you. I'm here with Patricia Johnson Craig, who is the director of human resources for the National Association of Counties. And I will try to cut short the testimony we have here and submit that for your record.

Let me say at the outset that this testimony is supportive of the extension of the authorization of and the expansion of Head Start in particular. This testimony doesn't take a position specifically on this legislation with respect to the reauthorization of the Community Services Block Grant Program or Follow Through, but I can say, and Ms. Craig can elaborate on it, that NACo is very supportive of the continuation of the Community Services Block Grant Program as a separate program and I can say from the point of view of our own large, urban, county that it has been a success there and we would be very loathe, given the record of the Reagan administration in terms of making things more efficient, to take a flyer at what might happen if they took this step.

But our testimony is directed primarily today to NACo.

We strongly support, as I have indicated, not only the reauthorization but the expansion of the number of children that are served by that program.

As you know, we expect in our society that parents will take full responsibility for all aspects of their children's upbringing. But it is painfully clear that most parents simply cannot do that without help. We have a period in which unemployment, racial, and sex discrimination, and poverty confront millions of people and that parents headed, families headed by one parent, are particularly vulnerable to poverty and particularly when those parents make every effort to work and to support their families, it's absolutely imperative that programs of this kind relieve them of the social and economic pressures that otherwise are overwhelming.

I serve as chair of an advisory committee to a NACo project that has been working to promote coordination. That has been discussed a lot this morning, in the delivery of services to children and families. Through the project the National Association of Counties is

encouraging counties to use Head Start as a building block in better coordination overall of services to youth. County governments provide citizens, as you know, with a wide range of services that support families. They include family and juvenile courts, health care, baby clinics, mental health counseling, social services, welfare, child protective services, job training, a wide range of recreational and educational facilities, and many are provided with a combination of county, State, and Federal resources.

This partnership aspect of the effort that is going on is extremely essential in considering Head Start. Head Start, and quality child care services, in general are vital components in this partnership. Congress has recognized the importance of the child care issue by increasing the appropriation for title XX, as pointing out that it was the glue that holds social programs together. Head Start also is a comprehensive program that helps many families by providing children with education, nutrition, health, mental health and dental services. It also has helped to integrate handicapped children into the mainstream of society early in their lives.

During the past 20 years Head Start and other Federal, State, and local programs have greatly improved the health and well-being of our Nation's children. Despite the progress and public concern for children, it is tragic to note that many are still confronted by new and old problems. Nearly 12 million children remain in poverty. Almost 9 million live in unsafe housing. Nine million have no known source of regular health care. These and other unmet needs challenge all of us in elected office at all levels of Government to do better.

As an indication of county officials' concern, NACo's Human Services Steering Committee chose as its primary focus for 1983 and 1984 a concentration on family and child issues. As a Federal program, Head Start is unique in its ability to adapt to community priorities and needs. Many parents have Head Start offering the first chance to influence what happens to their child outside the home. It encourages parents to see themselves as the primary teacher and advocates for their children, and I can say in our own county that aspect of this has been a superb success.

A look at recent studies of Head Start reveals why we are, as an organization, NACo is so adamantly in support of this program.

Head Start children score better than other children in school, on intelligence tests, in math, language, vocabulary, expressive communication, perceptual skills, almost any other effort that has been tested. It has been proven to be effective in linking children with medical screening, 87 percent in 1983, as well as long term medical treatment, 97 percent there in 1983.

Perhaps of most significance is the finding that the greatest benefit is derived for children who are most in need of help, those who come to the program with the lowest intelligence scores and children of mothers with less than 10th grade education. These and other studies demonstrate the preventive nature of early childhood programs such as Head Start.

NACo supports the availability of Head Start services for all income eligible children. We think it's a tragedy that only 20 percent are served nationwide in a program that both the administration and others who feel that the administration has been inad-

equate in this area of human services, both support this program and yet it has only been made available to 20 percent of those who should be able to use it.

Many existing programs have an extensive waiting list of children they are unable to serve. We are most concerned about those communities, however, that have no Head Start program, because these children, despite their level of need, simply cannot be placed even on a waiting list. We have made a survey for NACo of over 40 States and there have been startling examples of this inequity. In Texas, 121 out of 236 counties received no Head Start. In Louisiana, 25 out of 65 counties received no Head Start. In Virginia, 78 out of 100 counties receive no Head Start. New Mexico, 10 out of 31 receive no Head Start.

We'd be happy to provide your subcommittee with further details of our survey but, in closing, we commend you, this subcommittee, for your support of this excellent program, and we urge you to pursue avenues available to enlarge it, and to enlarge the number of children for whom services are available. Thank you very much.

Mr. ANDREWS. Well thank you very kindly, sir, and your splendid organization for the support of each.

We have a quorum call, Mr. Owens. What do you propose that we do? I guess it's to be followed by a vote, I assume. Though I don't know that.

Mr. OWENS. I always follow you, Mr. Chairman.

Mr. ANDREWS. Well, this is just second bells for the quorum. Unless it's converted to a vote I would suggest we just continue. We are so pressed for time.

All right. Mrs. Craig, I believe it was, do you care to add to the statement?

Ms. CRAIG. I would just like to comment very briefly that our organization has taken a position in support of continuing a separate community services block grant, opposing the folding in of that block grant with title XX, because first of all, the funds are definitely needed. If you cut out the $315 million of services under CSBG, you are not going to expect to find the counties and States duplicating those exact services that are now provided under CSBG. That's due primarily to the inadequate funding for social services generally.

We are supporting a separate bill on title XX, introduced by Congressman Canelli that would increase this SSBG by $300 million for 1985.

I point out to you that that's only a restoration of part of the funds that were cut in 1981 and basically we just don't feel that it's a good time in the structure of social services to kill off the community level services. They are not the same as those provided by the counties.

Mr. ANDREWS. Well we certainly, again, thank both of you for sharing with us the very valuable experiences you have had and we appreciate your support.

Mr. GILCHRIST. Thank you.

Ms. CRAIG. Thank you.

Mr. ANDREWS. Next we have a Head Start panel consisting of Ms. Sarah Greene, President, National Head Start of Bradenton, FL, and Mr. Vernon Dixon, Head Start Director, Inter-Tribal Coun-

cil of Nevada, Reno, NV. And if you would come around, please. We welcome both of you.

[Prepared statement of Sarah Greene follows:]

PREPARED STATEMENT OF SARAH GREENE, PRESIDENT, NATIONAL HEAD START ASSOCIATION

Good morning, Mr. Chairman, I am Sarah Greene, President of the National Head Start Association (NHSA). On behalf of the more than 1200 communities across the country and in Puerto Rico and the Territories, I want to especially thank you, Mr. Chairman, and thank the other members of this Subcommittee for your diligence, support, and active oversight of the Head Start program. Last year, nearly 415,000 young children and their families received comprehensive services in the areas of child development, health, nutrition, parent involvement, and other social services. Again, Mr. Chairman, the Head Start community is most grateful to you for your leadership in providing better lives and futures for the children and families we serve.

We are very concerned about the continuous chipping away at Head Start's ability to deliver effective services. Although the program has received funding increases over the past several years, the National Head Start Association has witnessed a series of debilitating changes either recommended by or put in place by the Administration that tear away at the very fabric of Head Start.

We came before this Committee two years ago to express alarm about an attempt to streamline Head Start's regulations and dilute its highly effective performance standards. Only after 4,000 comments were received concerning proposed changes did the Department of Health and Human Services pull back on these recommendations. However, we fear that many of them are being quietly put in place regardless of the absence of regulatory change. These include:

An attempt to slash Training and Technical Assistance funds by 50 percent. Training and technical assistance funds are vital to us. We are a program heavily dependent on parental involvement. Since 1965, Head Start has provided jobs for more than 415,000 Head Start parents and community residents. In 1982 alone, almost 30 percent of Head Start staff were parents of current or former Head Start students. For every 15 children in Head Start, ten parents volunteer services to the program.

The elimination of federal funds for the Child Development Associate (CDA) program—which assesses workers in Head Start programs and provides them with professional credentials in child care. To ensure high quality programs, more than 50 percent of the states have incorporated CDA as part of their state licensing requirements for staff in child care centers. Eighty-nine percent of Head Start programs use CDA as part of their career development plan for staff; 65 percent use CDA to involve parents in the educational component of the Head Start program. Because of the cuts in the CDA program, candidates have faced increases in fees from $35 to $150 in order to be certified.

The elimination of a national contract for Head Start's health training, technical assistance, and monitoring with no identifiable replacement of this important support service.

A reduction in the level and the amount of monitoring of Head Start's grantees.

A reduction in the requirement for self-monitoring (SAVI) for Head Start grantees converting the mandatory self-assessment tool into an optional process.

We are most dismayed by the change in Head Start's grant making process after fifteen years of successful service delivery without even allowing the Head Start community an opportunity to comment on the criteria for the award of grants. After both Appropriations Committees instructed the Department to schedule a comment period and 20 members of Congress, including you Mr. Chairman, wrote to Secretary Heckler, 1700 comments were received most of which made similar recommendations. The Department did not make a single change in the criteria for the grant making process.

The criteria included troubling changes in the direction of Head Start. Programs which serve children for one year are normally scored higher than programs which serve children for two years. This is counter to the mission of Head Start which is to help the neediest children. These children and handicapped children need sustained services to take away a significant benefit from the Head Start experience. Programs which are the least costly automatically receive a large percentage of points not considering that rural and urban programs often have out of necessity higher costs as do those who serve handicapped children. The criteria asked for innovative programs. Head Start has innovated for fifteen years and successfully. We reach not

only children but also their families. Research support the Association's and the child development community's convictions that Head Start works.

There are continued suggestions being made on how to whittle away at the comprehensive nature of Head Start and serve more with less including a significant change that is being discussed in the delivery of Head Start's health service.

Finally, we ask why for the second year in a row the Administration is asking to move Head Start's food monies out of the Child Care Food Program. This would be very harmful to Head Start children for two reasons. Child Care Food funds are indexed each year to meet rising food costs. They are also open-ended. Head Start would not only be denied the automatic increases in food costs but also the ability to use CCFP funds to feed new children entering the program.

Why these changes? Project Head Start began in 1965 as an innovation federal response to the developmental, social, health, nutritional, and other comprehensive service needs of low-income, disadvantaged children and their families. From the beginning, Head Start has focused on involving the parents and communities as a whole in addressing and solving these problems. Since its inception, Head Start has been the subject of hundreds of studies, papers, articles, and books and the overwhelming concensus of these materials, simply stated, is "Head Start works and works well".

In 1981, Mr. Chairman, John Reese, the then NHSA President, testified before this Subcommittee and shared the very very positive findings of "A Review of Head Start Research Since 1969" which was complied by The George Washington University in 1975. Today, Mr. Chairman, I am proud to report the equally-positive findings of a more recent and comprehensive study, the "Head Start Evaluation, Synthesis, and Utilization Project," conducted by CSR, Incorporated under a contract from the Department of Health and Human Services. The Synthesis Report focuses on Head Start results and findings from 1970 through 1983, and examine Head Start's effectiveness with the cognitive, emotional, and social development of the children and the program's impact on child health, parent involvement, and the various communities where Head Start operates.

Head Start children score better on standaridized tests; achieve more in school and are less likely to fail a grade, drop out, or require special education classes; and are more likely to receive adequate medical care and to be of normal height and weight, with fewer absences from school due to illness and better performance on physical tests. The program's benefits are largest for those children most in need of help—those whose mothers have less than an eleventh grade education and those who come to the program with the lowest intelligence test scores.

Head Start has become more effective over the years because of its continued investment in program changes to improve the quality of services. The impact of Head Start on children's intellectual development was roughly twice as great after 1970 as it was in 1969 and earlier. In the 1970s key program changes were instituted. These included the conversion from summer changes were instituted. These included the conversion from summer to full-year programs, the creation of Head Start performance standards to ensure quality, the creation of the Child Development Associate staff training program, and an increased emphasis on parent involvement.

We are very pleased with provisions included in H.R. 5145. This bill stengthens the ability of Head Start to continue to deliver high quality, cost-effective services to children:

Head Start currently serves 415,000 children only 18 percent of eligible children at a cost of slighty less than $1 billion. One thousand counties do not have a Head Start program. We would hope that the authorization level for FY 1985 would be raised slightly to $1.2 billion and to $1.4 billion for FY 1986. This would enable 60,000 additional children to be able to benefit from a Head Start experience in FY 1985.

In order to insure that Head Start is under the direction of experienced professionals, the Secretary is instructed to administer the program through the Administration for Children, Youth, and Families.

Training and technical assistance are vital to a program heavily dependent on volunteers and one which so many parents become staff. They are also key in a field marked by low wages and staff turnover. The Child Development Associate and Credentialing Program has been adopted in 28 states licensing requirements. It is a significant incentive for child care providers to strive to seek additional training and improve their abilities as caretakers. Resource Access Projects provide a unique source of training for providers who work with handicapped children. Head Start, which must serve at least ten percent handicapped children, has been a pioneer in effectively reaching these children and their families. Funding for training and

technical assistance, child development associate training, CDA assessment and credentialing and resource access projects are mandated at FY 1982 levels.

Existing Head Start grantees have an excellent track record in delivering Head Start services. It is counter-productive and inefficient to have more than a single Head Start grantee within a community. The language which give priority to Head Start grantees in the allocation of funds is strengthened so that the Secretary must designate existing grantees within a community as Head Start agencies if the agencies meet program and fiscal requirements. If there is no such agency in the community, the Secretary may designate a Head Start agency from among qualified applicants in the community.

Major research has shown that the benefits of a Head Start—like preschool are stronger if pre-school is offered for more than one year. Many children and families require a second year to reap significant benefits from the program, particularly handicapped children. Language is added allowing Head Start programs to provide more than one year of services. This language is currently included in regulations. It strengthens the ability of programs to serve children who need more than one year of Head Start.

Much of Head Start's success can be credited to the set of requirements that each local program must meet. These are encompassed in the Performance Standards. The section on Performance Standards is strengthened by changing the language to state that "any revisions in such standards shall not result in the elimination of nor any reduction in the scope or types of health, education, parent involvement, social or other services required to be provided under the standards in effect on November 2, 1978." This replaces a requirement that revisions shall result in standards which are no less comprehensive than current performance standards.

There is one change in addition to increased authorization levels that we would recommend. It concerns the eligibility criteria for program participation. Currently, Head Start eligibility is tied to the poverty level. There is discussion about possible changes in the definition of poverty. We would ask that Head Start continue to remain under the current definition of poverty or at a minimum that no changes be made in how poverty is defined without input from Congress. This is a very serious concern as thousands of needy children and families now eligible for Head Start could be denied services they need if contemplated changes by OMB are put in place.

We thank you for the opportunity to testify today and again for your deep commitment to a strong and viable Head Start program. We look forward to working with you toward the passage of H.R. 5145 because we believe that it will ensure that Head Start continue as it has so successfully done in its fifteen year history of improving the opportunities of our neediest children and families.

STATEMENT OF A PANEL OF SARAH GREENE, PRESIDENT, NATIONAL HEAD START, BRADENTON, FL; AND VERNON DIXON, HEAD START DIRECTOR, INTER-TRIBAL COUNCIL OF NEVADA, RENO, NV

Mr. ANDREWS. You have traveled a farther distance to get here, by far, than any witness we've had and I certainly, therefore, am hesitant to ask that you condense your statement. But we, obviously, are just in all kinds of trouble for time.

The bill that's on the floor at the moment is the revision of the Bankruptcy Act. By various reasons the Bankruptcy Act and all courts pursuant thereto will expire March 31st unless Congress enacts this or some similar bill prior to that time and it's signed by the President. So that's just one of umpteen dozen serious emergencies that are going on here simultaneously. So, we do need to terminate this as quickly as we well can.

With that in mind, we welcome both of you and read your statement if you prefer, or if you would like to submit it for the record, it will be included in its entirety. If you could summarize it in a briefer fashion, we would appreciate it. But there again, that's your prerogative.

Ms. GREENE. Thank you very much, Mr. Chairman.

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Mr. ANDREWS. Thank you.

Ms. GREENE. And I will summarize as briefly as I can.

As you have said, I am Sarah Greene, president of the National Head Start Association, and am also director of Manatee County Head Start in Bradenton, FL. And on behalf of the more than 1,200 communities across the country and in Puerto Rico and the territories, I want to especially thank you, Mr. Chairman, and the other members of the subcommittee for your diligent support and active oversight of the Head Start Program. Last year nearly 450,000 young children and families received comprehensive services in the area of child development, health, nutrition, parent involvement, and other social service agencies.

We are concerned about the continuous chipping away at Head Start's ability to deliver effective services. Although the program has received funding increases over the past several years, the National Head Start Association has witnessed a series of debilitating changes that either recommended by or put in place by the administration, that tear away at the very fabric of Head Start.

We came before this committee 2 years ago to express alarm about an attempt to streamline Head Start's regulations and dilute its highly effective performance standards. Only after 4,000 comments were received concerning proposed changes did the Department of Health and Human Services pull back on these recommendations. However, we fear that many of them are being quietly put in place, regardless of the absence of regulatory change. These include, first, an attempt to slash training and technical assistance funds by 50 percent. Training and technical assistance funds are vital to us. We are a program heavily dependent on parental involvement.

Since 1965, Head Start has provided jobs to more than 450,000 Head Start parents and community residents. In 1982 alone, almost 30 percent of Head Start staff were parents of current or former Head Start students. For every 15 children in Head Start, 10 parents volunteer services to the program.

Second, the elimination of Federal funds for the Child Development Association, the CDA Program. This program assesses workers in Head Start programs and provides them with professional credentialing in child care, to insure high quality programs. More than 50 percent of the States have incorporated CDA as a part of their State licensing requirement for staff in child care centers. Eighty-nine percent of Head Start programs use CDA as a part of their career development plan for staff. Sixty-five percent use CDA to involve parents in the educational component of Head Start programs.

Because of the cuts in the CDA program, candidates have now faced increases in fees from $35 to $250 in order to be certified.

Third, the elimination of a national contract for Head Start's health training, technical assistance, and monitoring, with no identifiable replacement of this important service for Head Start. Fourth, a reduction in the level and the amount of monitoring of Head Start grantees. And last, a reduction in the requirement for self monitoring of staffing for Head Start grantees.

We are most dismayed by the change in Head Start's grants making process after 15 years of successful service delivery, with-

out even allowing the Head Start community an opportunity to comment on the criteria for the award of grants. After both appropriations committees instructed the Department to schedule a comment period and 20 Members of Congress, including yourself, Mr. Chairman, wrote to Secretary Heckler, 17 comments were received, most of which were similar recommendations.

The Department did not make one single change in the criteria for the grant-making process.

The criteria included changes in the direction of Head Start, programs which have served children for 1 year and are normally scored higher than programs which serve children for 2 years. This is counter to the mission of Head Start, which is to help the neediest children. These children and handicapped children need sustained services to take away a significant benefit from the Head Start experience. Programs which are the least costly automatically receive a larger percentage of points, not considering that rural and urban programs often have, out of necessity, higher costs as those who serve handicapped children.

The criteria asks for innovative programs. Head Start has innovated for 15 years, and successfully so. We reach not only children but also their families. Research supports the associations and the child development community's conviction that Head Start works.

Finally, we ask why for the second year in a row the administration is asking to move Head Start's food moneys out of the Child Care Food Program. This would be very harmful to Head Start children for two reasons. Child Care Food funds are indexed each year to meet rising costs, food costs. They're also open ended. Head Start would not only be denied the automatic increases in food costs, but the ability to use CCFP funds to feed new children entering the program.

Why these changes? Project Head Start began in 1965 as the innovative Federal response to the developmental, social, health, nutritional, and other comprehensive services needs of low income, disadvantaged children and their families. From the beginning we have focused on involving parents and the community as a whole in addressing these problems.

As has already been stated, many reports have certainly indicated that Head Start does work, and the findings show that the gains last throughout their high school years.

Head Start children score better on standardized tests and in many other areas. Head Start has become more effective over the years because of its continued investment in program changes to improve the quality of services. The impact of Head Start on children's intellectual development was roughly twice as great after 1970 as it was in 1969 and earlier.

In the 1970's, key program changes were instituted. These included the conversion from summer to full year programs, the creation of Head Start's performance standards to ensure quality, the creation of the Child Development Associates staff training program, and increased emphasis on parent involvement.

We are very pleased with provisions included in H.R. 5145. The bill strengthens the ability of Head Start to continue to deliver high quality, cost-effective services to children. Head Start currently serves only 18 percent of eligible children, at a cost slightly less

than $1 billion. One thousand counties do not have a Head Start Program. We would hope that the authorization level for fiscal year 1985 would be raised slightly to $1.2 billion and to $1.4 billion for fiscal year 1986. This would enable 60,000 additional children to be able to benefit from Head Start.

In order to ensure that Head Start is under the direction of experienced professionals, the Secretary is instructed to administer the program through the Administration on Children, Youth, and Families.

Existing Head Start grantees have an excellent track record in delivering Head Start services. It is counterproductive and ineffective to have more than a single Head Start grantee within a community. The language which gives priority to Head Start grantees in the allocation of funds is strengthened so that the Secretary must designate existing grantees within a community.

If there is no such agency in the community, the Secretary may then designate a Head Start agency from among qualified applicants in the community.

Much of Head Start's success can be credited to the set of requirements that each local program must meet. These are encompassed in the performance standards. The section on performance standards is strengthened by changing the language to state that any revision in such standards shall not result in the elimination of nor in a reduction in the scope or types of health, education, parent involvement, social or other social services, to be provided under the standards in effect on November 2, 1978.

There is one change, in addition to increased authorization levels that we recommend. It concerns the eligibility criteria for program participation. Currently, Head Start eligibility is tied to the poverty level. There is discussion about possible changes in the definition of poverty. We ask that Head Start continue to remain under the current definition of poverty, or at a minimum that no change be made in how poverty is defined, without input from Congress.

We thank you for this opportunity to testify today and again for your deep commitment to a strong and viable Head Start Program. We look forward to working with you toward the passage of H.R. 5145, because we believe that it will ensure that Head Start continues as it has so successfully done in its 15 year history of improving the opportunities of our neediest children and families. Thank you.

Mr. ANDREWS. Well, thank you, Sarah, both for your statement and your support. And next we recognize Mr. Vernon Dixon, as I said, Head Start Director, Inter-Tribal Council of Nevada, from Reno.

[Prepared statement of Vernon Dixon follows:]

PREPARED STATEMENT OF VERNON DIXON REPRESENTING THE NATIONAL INDIAN HEAD START DIRECTORS ASSOCIATION

Mr. Chairman and members of the committee, my name is Vernon Dixon. Thank you for the opportunity to appear before you today on behalf of Indian Head Start programs.

I am the Director of the Indian head start program of the Nevada Inter-Tribal Council in Reno, Nevada. I also serve as a board member on the National Indian Head Start Directors Assocation. In that capacity, I work with 94 Indian programs serving approximately 13,000 children in 24 states. Some of our programs operate in

a pueblo setting alone while others are more broad based and are conducted in a multistate area serving thousands of children. We are as diversified in our settings, from warm humid Florida to the cold, icy, north of Alaska, as we are in culture, representing many different Tribal and ethnic groups.

The programs within our division, Indian and Migrant, are national in character and therefore, solutions to our needs must be national in design. We are a unique Head Start population, in respect to the nation to nation relationship of our grantees to the federal government, as well as our diversity. We are a "national" region, but we have always been and remain today an intergral working part of the entire Head Start structure and of the National Head Start Association. We operate under the same income eligibility standards, the same performance standards and the same criteria for handicapped services. We would most definitely not want this changed! We share the aspirations of Head Start programs everywhere, to provide the best possible programs for children and families in accordance with the laws of Congress, the administrative regulations and organization that have been carefully nurtured through cooperative planning with regulatory agencies, parents, staff, support organizations such as ours, and that tremendous body of friends and communities that is the heart of Head Start.

We are proud of our "track record". We hope to build cooperatively for an even brighter future. In most Indian and Migrant settings, the Head Start program has been and presently is the focal point of child and family services and in many cases, it is the only program, or family service available. It is absolutely, the "shining star" of federal assistance to our communities.

In this room, the stark poverty of Indian and Migrant settings seems far away. But it is not, for in this room, in the Capitol, at the White House, and in ACYF are made the decisions that affect, negatively or positively, the very lives of the children and families we serve. We believe that through our grass roots involvement we can genuinely and realistically provide insight to you who make these decisions, if you will repsect our expertise and knowledge about the needs of our children, families and communities and of what is needed in legislation and organization in order to effectively and accountably meet these needs.

It is for this reason that we appeal to you now, in reviewing proposed legislation, to consider our concerns. We do not maintain that the status quo is sacred. Indeed, the face and character of Head Start has continually changed since its inception, but most successfully when it has changed responsively to need from our level upwards. We have become stronger, more responsive, more accountable. Head Start has fulfilled the expectations of this Congress and of those preceeding it and earned universal respect across the land.

In reviewing proposed legislation, we see no provision is made to protect a design that has been working productively, continually, and accountably in building high quality Head Start programs. We are beginning to experience drastic changes in direction and focus from the administrative level which ignores the unanimous objection of the governments, which are the grantees. We are now concerned regarding the direction in which we are moving and in this directions ability to effectively serve our unique population of children and families.

In the last number of years, by administrative arrangement, the Indian and Migrant Programs as a national division, was in a position to work effectively with tribal governments, as part of the trust responsibility between the tribes and the federal government. The division, as the national division, better met the needs of the unique and diversified populations it seems without endangering this relationship.

It is able to concentrate specifically on these populations and to formulate policies which will account for: (1) The diversity of the cultures and geographic locations involved; (2) the mobility of the Migrant populations and the adjustments which must be made to effectively serve this community; and (3) the unique relationship of government to government which cannot be circumvented in working with Indian populations. None of the regions of the Head Start Bureau are prepared to deal with such unique needs.

We therefore, recommend that the Indian and Migrants Program Division be maintained as a division within the Head Start Bureau and respectfully request that the legislation specifically designate this division as the administrative arrangement intended. In this way, we can be assured of some administrative stability, that can be responsive and accountable to you and our programs.

We have been most appreciative of the guarantee for the cost of living increases which our programs have received. This guaranteed cost of living increase continues, universally to all of the programs in our division. The need for the cost of living is to pay for the high costs associated with Indian reservations, for example high

transportation costs, and high food costs. We are appreciative of the fact that you have recognized this by its continued inclusion in the proposed legislation. We can guarantee, in return that it will be utilized for its original intent. Although, the need has not changed, we believe that its intent within the law is presently being undermined, again through administrative procedures.

In future months, cost of living increases are to be given conditionally according to criteria, qualifying a program for receipt of the same. The purpose of this cost of living increase has no relation to the conditions imposed and to utilize one against the other appears to be a direct conflict with the original intent of inclusion of this provision in the law.

The cost of living increases should be given unconditionally to all Indian and Migrant programs for "each subsequent fiscal year" as the law intends and we would suggest that the legislation further clarify this so that administrative manipulations can no longer withhold or reduce, for individual programs, what is lawfully theirs.

Conversely, to provide the very best for our children and families we must be in a position to revive training and technical assistance services which are locally designed and administered in our geographic areas. The breakdown of our present system and again our objections or recommendations being ignored by ACYF is extremely frustrating and dangerous to program stability and quality.

We are rural and isolated communities, as a general rule, with few professional resources. Those few that are and have been available are utilized beyond effectiveness to provide comprehensive services to our programs. The strength of our training and technical assistance is in our abilities to self determine its direction, communicate, cluster and cross share resources. All programs, large and small, can be enabled to provide equal quality training with cost effectiveness in this manner. Each program needs to be able to determine its best training design based on its own needs and if a resource provider is needed: this provider must be located centrally to the programs involved; close enough to be effective in service delivery; and, must be a provider which understands our programs, our unique characteristics and needs of Head Start as a whole. This is necessary in order to insure the most effective service and research into all training resources available.

We, at the program level, with all the other pressures of our multi-faceted programs and budgets, do not have the staff local resources, and with such drastic reductions, the money to be able to coordinate these types of training functions through a training and technical assistance network that would insure our individual, collective and national needs are met. In the case of Indian and Migrant programs, neither do the over worked regions, not familiar with our populations. In addition, with the recent expansion effort fast becoming a reality, it is all the more important to provide knowledgeable training and technical assistance.

We do not object to change, but recent administration policies and reductions in direct training and technical service dollars has debilitated our programs. It will be difficult, if not impossible, in some cases, to provide adequate, quality training with these changes.

We endorse this portion of the proposed legislation and its guaranteed funding for training and technical assistance direct services but wish to emphasize that training and technical assistance should be built through established, effective networks, within prescribed standards, to meet the needs of programs and to foster program and management improvement activities. This type of guarantee will further the cause and maintenance of quality within Head Start.

The inclusion of USDA dollars from the Child Care Food Program into the Head Start budget has been a concern of the National Association and ourselves for quite some time. When this was proposed previously we, through our National Association network adamantly objected.

As the program is administered now we are accountable for quality nutrition services as a strong support function. To transfer these dollars would dilute the focus of these dollars in our programs—they would be lost in the budget. What formerly were adequate dollars for nutritutional services may not necessarily be sufficient to meet these needs. Inclusion in our budgets would involve a loss of dollars for nutrition as the dollars are capped and would not allow for expansion and particularly, would be a loss for those programs paying indirect cost. If budget pressures increases as they have recently, it would also seriously endanger the quality of our nutritional services through the necessity of weighing one need against another. We wish to provide the best in all performance areas for our programs and recommend these dollars be maintained in the Child Care Food Program, separate from the Head Start budget.

In conclusion, gentlemen, Head Start is already a credit to the nation, it has been from the beginning. It required no more tests or hurdles to attest to its high esteem

in Congress or the Administration. Head Start is a cost effective program and a model for human services. If restructuring the existing administration arrangement and training and technical assistance networks, which are tested effective systems for our programs under the guise of "inhouse reorganization," then the quality and future of existing and expansion programs is in question. Head Start began as a great social effort at a time of national tragedy. It has faced and met challenge after challenge and grown responsively to program needs, not political needs. It has earned universal respect, it is a program that works. It does not require extensive reorganization. It does, however, require legislation which, by it language, insures that these effective systems which are in place, continue to operate responsively. It also requires adequate funding in order to insure that this can occur.

I appreciate the opportunity to speak before this committee today and we offer the full cooperation of our IMPD grantees and the associations that represent them now and in the future. We do this in the spirit of all that is Head Start—our nations most precious natural resource—its children.

Thank you.

NATIONAL COMMITMENTS

Whereas we, the members of the National Indian Head Start Directors' Association, are most concerned that the Administration for Native Americans and the Head Start Bureau have continued to support and encourage the acceptance by Indian Tribes of the Cooperative Management Initiative; and

Whereas many tribes and the Head Start programs for which they are grantees continue to have serious concerns regarding the long range outcome of said initiative; and

Whereas there is documentation of detrimental outcomes for some Tribes and their Head Start programs resulting from their entry into this initiative; and

Whereas there continues to be serious concern regarding the potential dilution of the integrity of Head Start programs and the potential dissipation or disregard of Tribal Sovereignty by this initiative: Now therefore, be it

Resolved, That the National Indian Head Start Directors' Association reaffirms its opposition to the Cooperative Management Initiative as stated in its resolution to the National Head Start Association in April, 1982.

Passed by unanimous vote on, March 8, 1984.

RESTORATION OF FUNDS TO USDA/CCFP

Whereas we, the members of the National Indian Head Start Directors' Association, realize that Head Start programs are committed to providing quality nutrition services to all Head Start children, and

Whereas historically, these services have been supported by reimbursement from USDA through CCFP, and

Whereas this arrangement has provided an increase of said funding on a regular basis to enable programs to keep pace with the cost of living, and

Whereas the Congress of the United States has previously determined (Head Start Appropriations, FY '84) that these funds should not be co-mingled and co-mingling of these funds would effectively reduce the dollar amounts of funds available to programs for nutrition services: Now therefore, be it

Resolved, That the National Indian Head Start Directors' Association reaffirms its adamant opposition to the transfer of funds from the United States Department of Agriculture/Child Care Food Program to the Head Start program as is written in the proposed Presidential Budget for FY '85.

Passed by unanimous vote on, March 8, 1984.

This resolution was submitted to the National Head Start Association in April, 1982 and was favorably voted upon by the membership during the annual business meeting.

NATIONAL COMMITMENT

Whereas we, the members of the National Indian Head Start Directors' Association, represent Indian Head Start grantees providing comprehensive services to almost 13,000 Indian children; and

Whereas the Head Start program is recognized as a proven cost-effective model for the delivery of comprehensive services for preschool age children; and

Whereas the participation of a limited number of Tribes in the Cooperative Management Initiative process interferes with the Indian Head Start program's ability to maintain and develop cohesiveness amongst these programs; and

Whereas Indian Head Start programs have been funded from the outset on a continuing grant basis and the Cooperative Management Initiative funds on a competitive basis which would require Tribes to compete one with another, thus creating artificial barriers between programs; and

Whereas the Head Start Policy Councils were not consulted on the use of Cooperative Management Initiative as a change in the Head Start funding process, and implementation of the Initiative would disorganize Indian Head Start programs because of alienation from existing Head Start regulations and objectives; and

Whereas the Cooperative Management Initiative has not adequately addressed many specific concerns on the regulation of the Indian and Migrant Programs Division and the Administration for Native Americans in the administration and management of Indian Head Start grants. Now therefore, be it

Resolved,

1. That Indian Head Start programs remain on a continuous categorical basis for provision of comprehensive services for Indian children; and

2. That the Indian and Migrant Programs Division continue as the agency responsible for all aspects of management and administration of Indian Head Start programs; and

3. That we reaffirm the role and responsibility of Tribal Governments and Parent Policy Councils in the Head Start granting process.

BOARD OF DIRECTORS

This resolution was submitted to the National Head Start Association in April, 1982 and was favorably voted upon by the membership during the annual business meeting.

RESTORATION OF FUNDS TO USDA/CCFP

Whereas we the members of the National Indian Head Start Directors' Association, are involved with providing the most comprehensive early childhood program possible serving the *whole* child; and

Whereas it has been well documented in research literature that inadequate nutrition interferes with normal development and learning capacity of young children; and

Whereas meals that provide adequate nutrients are an essential part of the comprehensive services delivered by Head Start programs, and provide Indian children with a significant portion of their daily dietary needs; and

Whereas present economic hardship has severely weakened the ability of Indian families to provide adequate nutrition to their children; and

Whereas the United States Department of Agriculture (USDA) has reduced the reimbursement levels for meals served to Head Start children under the Child Care Food Program (CCFP): Now therefore, be it

Resolved, That we urge Congress to restore all funds to the United States Department of Agriculture for the Child Care Food Program.

Mr. DIXON. Right.

I have submitted a document and I wish that you would consider it into its entirety, even though I will be just going over a portion of it that I think is important.

Mr. DIXON. Again, my name is Vernon Dixon. I thank you for the opportunity to appear before you today on behalf of Indian Head Start Programs. I am the director of the Indian Head Start Program of the Nevada Inter-Tribal Council in Reno, NV. I also serve as a board member on the National Indian Head Start Directors' Association. In that capacity I work with 94 Indian programs serving approximately 13,000 children in 24 States.

We are as diversified in our settings as we are in culture, representing many different tribal groups. The programs within our division, Indian and migrant, are national in character and therefore solutions to our needs must be national in design. We are a unique

Head Start population in respect to the nation-to-nation relationship of our grantees to the Federal Government, as well as in our diversity.

We are a national region but we have always been and remain today an integral working part of the entire Head Start structure and of the National Head Start Association.

We are proud of our track record. We hope to build cooperatively for an even brighter future, and most Indian and Migrant settings the Head Start Program has been and is presently a focal point of child and family services and, in many cases, it is the only program for family service available.

In this room the stark poverty of Indian and migrant settings seems far away. But it is not, for in this room, in the Capitol, at the White House, and in ACYF are made the decisions that affect negatively or positively the very lives of the children and families we serve. We believe that through our grassroots involvement we can genuinely and realistically provide the insight to make these decisions, if you will respect our expertise and knowledge about the needs of our children.

It is for this reason that we appeal to you now in reviewing the proposed legislation to consider our concerns. We do not maintain that the status quo is sacred. Indeed, the face and character of Head Start has continuously changed since its inception. But most successfully when it has changed responsibly to need from our level upwards. We have become stronger, more responsive, more accountable. Head Start has fulfilled the expectations of this Congress and those preceding it, and earned universal respect across the land.

In reviewing the proposed legislation, we see no provision is made to protect a design that has been working productively, continually, and accountably in building high quality Head Start Programs. We are beginning to experience drastic changes in direction and focus from the administrative level which ignores the unanimous objection of the governments, which are the grantees. We are most concerned regarding the direction in which we are moving and in this direction's ability to effectively serve our unique population of children and families.

In the last number of years, by administrative arrangement, the Indian and Migrant Programs as a national division, was in a position to work effectively with tribal governments, as part of the trust responsibility between the tribes and the Federal Government. The division, as the national division, better met the needs of the unique and diversified populations it seems without endangering this relationship.

It is able to concentrate specifically on these populations and to formulate policies which will account for the diversity of the cultures and geographic locations involved, the mobility of the migrant populations and the adjustments which must be made to effectively serve this community, and the unique relationship of government to government which cannot be circumvented in working with Indian populations.

We therefore recommend that the Indian and Migrant Program Divisions be maintained as a division within the Head Start Bureau and respectfully request that the legislation specifically

designate this division as the administrative arrangement intended. In this way we can be ensured of administrative stability that can be responsive and accountable to you in our programs.

We have been most appreciative of the guarantee for the cost-of-living increases which our programs have received. The need for the cost of living is to pay for the high costs associated with Indian reservations. We are appreciative of the fact that we have recognized this by its continued inclusion in the proposed legislation. We can guarantee in return that it will be utilized for its original intent.

Although the need has been changed, we believe that its intent within the law is presently being undermined again through administrative procedures. In future months cost of living increases are to be given conditionally, according to criteria qualifying a program for receipt of the same.

The purpose of this cost-of-living increase has no relation to the conditions imposed, and to utilize one against the other appears to be a direct conflict within the original intent of inclusion of this provision in the law. The cost-of-living increase should be given unconditionally to all Indian and migrant programs for each subsequent fiscal year, as the law intends, and we would suggest that the legislation further clarify this so that the administrative manipulations can no longer withhold or reduce for individual programs what is lawfully theirs.

Conversely, to provide for the best for our children and families, we must be in a position to revive training and technical assistance services which are locally designed and administered, in our geographic areas. The breakdown of our present system and, again, our objections or recommendations being ignored by ACYF, is extremely frustrating and dangerous to program stability and quality.

We do not object to change. But recent administrative policies and reductions in direct training and technical assistance dollars will debilitate our programs. We endorse this portion of the proposed legislation and its guaranteed funding for training and technical assistance direct services, but wish to emphasize that training and technical assistance should be built through established, effective, networks within prescribed standards to meet the needs of programs and to foster programs and management improvement activities.

This type of guarantee will further the cause and maintenance of quality within Head Start. The inclusion of USDA dollars in the Child Care Food Program into the Head Start budget has been a concern of the National Association and ourselves for quite some time. When this was previously proposed we, through our national association network, adamantly objected.

In conclusion, gentlemen, Head Start is already a credit to the Nation. It has been from the beginning. It required no more tests or hurdles to attest to its high esteem in Congress or the administration. Head Start is a cost effective program and a model for human services. If restructuring the existing administrative arrangement and training and technical and administrative arrangement, the assistance network which has tested effective systems for our programs under the guise of in-house organization, then the

quality and future of existing and expansion programs is in question.

Head Start began as a great social effort at a time of national tragedy. It has faced and met challenge after challenge and grown responsibly to program needs, not political needs. It has earned universal respect. It is a program that works. It does not require extensive reorganization. It does, however, require legislation which, by its language, ensures that these effective systems which are in place continue to operate responsibly.

It also requires adequate funding in order to ensure that this can occur. I appreciate the opportunity to speak before this committee today, and we offer the full cooperation of our IMPD grantees and the associations that represent them, now and in the future. We do this in the spirit of all that is Head Start, our Nation's most precious natural resource, its children. And, in closing, we have included four resolutions that show our opposition to the including of the Child Care Food Program into the budget, and our opposition to the consolidated management initiative, which has been noted in the testimony submitted by Dorcas Hardy.

Mr. ANDREWS. Well, thank you, Mr. Dixon, very kindly, and the copy I have includes that. But if you will give to the reporter the one you have, we'll call that the official one and we'll be most pleased to include it. I'll bet you never read so fast in your life.

Mr. DIXON. No, I haven't. [Laughter.]

Mr. ANDREWS. Well, we appreciate that very kindly and, most of all, your support. And I hope together we can continue to do at least as much as we are doing and some more, rather than less.

Thank you again, very kindly. You have traveled a long way and I think it's been worth it.

Next we welcome a panel relative to community services, they being Mr. Robert Coard, if I am pronouncing that correctly, president, National Community Action Federation, from here in Washington, Ms. Wilma Warren, Executive director, Southeast Rural Community Assistance Program, Roanoke, VA, and Ms. Nancy Amidei, executive director, Food Research and Action Center, likewise from Washington.

Again, if you will keep your statements as brief as you think to be reasonable, we would be grateful. Mr. Coard?

[Prepared statement of Robert Coard follows:]

PREPARED STATEMENT OF ROBERT M. COARD, EXECUTIVE DIRECTOR, ACTION FOR BOSTON COMMUNITY DEVELOPMENT, INC., BOSTON, MA, REPRESENTING THE NATIONAL COMMUNITY ACTION FOUNDATION

Mr. Chairman and members of the Committee, I appreciate the opportunity to testify before the Human Resources Subcommittee. My name is Robert M. Coard and since 1967 I have been the Executive Director, Action For Boston Community Development (ABCD).

ABCD was founded 21 years ago by a committed group of Boston citizens with the aid of a $1.9 million Ford Foundation grant. Since that time ABCD as well as the 939 other Community Action Agencies operating throughout the country, has become an integral part of the community's educational, political, cultural and corporate life by continuing to promote self-help and innovative, practical and timely services. In Boston, ABCD services 107,000 low income residents.

I also testify today as the President of the National Community Action Foundation.

Mr. Chairman, H.R. 5145 maintains this country's commitment to the nearly 35 million poor who continue to need the assistance that both Head Start and the Com-

munity Services Block Grant provide. Too few of the people served by low income programs such as CSBG, Head Start and Fuel Assistance have been helped by the improving economy. In many cases, the drastic cuts suffered by these social programs since 1981 has resulted in a deterioration in the lives of the poor. I respectfully submit to this Committee that it is primarily because agencies such as ABCD are in place in the urban areas that we have avoided the frustration and anger that erupted in the 1960's.

The Administration has proposed a close-out funding for CBSG on the basis that the poor are being served with same kind of services under the Social Services Block Grant. In state after state, Community Action Agencies report that they receive no Social Services Block Grant money. A review of state plans for the Social Services Block Grant and the Community Services Block Grant shows a modicum of overlap in the type of services delivered by each—chiefly in day care programming—and no one is charging that there are too many day care programs. The population served by these block grants are different and their purposes are different. If the Administration's plan were put into effect, the federal commitment to provide opportunity to the poor would end.

The same Administration that proposes the demise of community action has also cut means-tested benefits to the low income by 15% and eliminated hundreds of thousands of families from their roles and engineered a tax structure that allows individuals earning $200,000 a year to pay 15% less in taxes, while those with income under $10,000 pay 22% more. This is at a time when poverty has risen to 15% of the population. Thirty-five percent of the 35 million poor are children under 16 and another 11% over the age of 65.

The Heritage Foundation has written that although the percentage of funds spent for Office of Economic Opportunity generated programs is not a significant percent of the budget, they must be done away with because of their symbolic value. We say, of course, that not only for their symbolic value they must continue but also because of the significant positive impact they continue to have on the lives of the poor.

H.R. 5145 contains some very important provisions essential to the success of this program.

It will raise the authorization level of the block grant from the current $389 million to $429.5 million for FY 1985 and allows for small additional increases in each of the four succeeding years. Although all of us in this room are concerned about the deficit, I respectfully point out to the Committee that FY 1982 CSA appropriations were $544 million. Assuming full appropriations for CSBG in 1989, this program would still be some $22 million below 1981 levels eight years later.

The second important provision contained in H.R. 5145 is the elevation of the current Director to an Assistant Secretary appointed by the President and approved by the Senate. We strongly support the elevation of this post in the Administration hierarcy. We feel it is a positive step in emphasizing once again the importance of low income community service programs.

We support the inclusion of community food and nutrition programs and the Senior Opportunities and Services programs as part of the Discretionary Authority of the Secretary. The SOS program, when established in 1965, was the first effort made by the federal government to focus on the need for programs and advocacy for the elderly poor. This need continues today. Revival of the Community Food and Nutrition Program will promote the development of new solutions to the problems of hunger which will go far beyond the mere transfer of surplus foods to individuals.

We applaud the provision of the bill that requires the Office of Community Services to provide copies of its state by state evaluations of the use of CSBG funds to the authorizing committees. These evaluations have not been made public up to this time and are not generally seen even by the Community Action Agencies in the states where they have been conducted.

Further, this bill would reduce from 90% to 85% Community Service Block Grant funds which states must pass-through to local eligible entities. The remaining 15% of funds could then be used to expand services by existing eligible entities to previously unserved areas of the state or, where necessary, to establish new Community Action Agencies to serve such unserved areas.

Specifically H.R. 5145 reauthorizes the Community Services Block Grant for 5 years. This reauthorization at this time is absolutely critical in light of the President's continuing request to eliminate all funding for the block grant.

The 940 CAAs and nearly 80 Limited Purpose Agencies have used the block grant funds to successfully combat the effects of poverty. Statistics compiled by the National Community Action Foundation show that CAAs still leverage 4 additional dollars for every CSBG dollar they receive.

Mr. Chairman, we believe Title III of the Human Services Amendments of 1984 would provide a clear and simple and uncontroversial reauthorization of Community Services Programs. It would also authorize perfecting changes in current law based upon almost three years of field experience. It is particularly important to local service coordination that the Community Services Programs are proposed to be reauthorized this year in the same timeframe as Head Start, Follow Through and other related human service programs.

Programs for the poor are never popular in times of tight budgets. And, with the looming budget deficits and the attention they have commanded, it is a difficult time to be an advocate for the anti-poverty programs. Mr. Chairman, you have always shown concern for the poor, particularly for the children and the elderly in poverty. We thank you for this support and know it will continue. We also thank you Mr. Chairman, the members of your Subcommittee and the staff for initiating this very important legislation.

STATEMENT OF A PANEL OF ROBERT COARD, PRESIDENT, NATIONAL COMMUNITY ACTION FOUNDATION, WASHINGTON, DC; WILMA WARREN, EXECUTIVE DIRECTOR, SOUTHEAST RURAL COMMUNITY ASSISTANCE PROGRAM, ROANOKE, VA; AND NANCY AMIDEI, EXECUTIVE DIRECTOR, FOOD RESEARCH AND ACTION CENTER (FRAC), WASHINGTON, DC

Mr. COARD. Thank you very much, Mr. Chairman.

I'd like to thank you very much for the submission and support of this legislation that you and your committee have submitted, and we strongly support your efforts in this respect and all the progressive things that you have included to deal with many of the critical human service problems we have.

I would first like to give to the committee a letter to the Honorable Orrin Hatch from the executive director of the National Governors' Association in which they support the Community Services Block Grant continuation, with some slight amendments, which—and the letter, by saying that all the Governors have accepted as valuable the extension of the grandfather clause in the CSBG, and that it's meeting the very basic human needs of their citizens, all the Governors. And they have suggested some slight amendments in regard to it which are not basically in conflict with the position that the community action programs have with respect to the basic—what is proposed by your committee, which I do agree needs to be updated and done this year.

[Letter submitted for the record follows:]

NATIONAL GOVERNORS' ASSOCIATION,
September16, 1983.

Hon. ORRIN G. HATCH,
Chairman, Committee on Labor and Human Resources, U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: The National Governors' Association is concerned about the possible continuation of the pass-through of 90% of funds in the Community Services Block Grant (CSBG) to a closed list of eligible entities, that is, community action agencies and limited purpose agencies recognized by the defunct federal Community Services Administration. The 90% of "grandfather" clause was included as a transition measure in the Omnibus Budget Reconciliation Act of 1981 to apply to the fiscal year 1982 funds. However, it was extended through the Congressional appropriation process of 1983, and is being considered again this year.

NGA is not opposed to the original intention of the act that Governors, with review by state legislatures, would select the most appropriate local agencies after the transition period. Nor is NGA opposed to Congress adopting a requirement that 90% of CSBG funds be passed through to local comunity based organizations with tri-partite community boards of local public officials, civil leaders and representatives of the poor. NGA is opposed, however, to restrictions which prevent Governors

from designating replacement agencies for eligible entitles which fail to meet fiscal or programmatic standards or voluntarily discontinue operations, and which prevent Governors from establishing eligible entities in localities presently unserved.

We favor expanding the definition of eligible entities to include: (1) agencies designated by Governors to serve localities previously unserved; (2) agencies designated as successors to agencies from whom funding was withdrawn for failure to meet fiscal and program requirement of the act, or successors to agencies which voluntarily discountinue operations; (3) agencies funded by states in fiscal 1983 (to recognize the actions of the four states granted waivers to the grandfather clause in 1983); and (4) Indian reservations. This position was developed after careful consideration by the national association of state CSBG administrators.

Extension of the grandfather clause as currently written is a barrier to the sound, accountable admistration of a program which all Governors have accepted as valuable in meeting basic human needs of their citizens.

Sincerely,

RAYMOND C. SCHEPPACH,
Executive Director.

Mr. COARD. I appreciate the opportunity to testify before the Human Resources Subcommittee, and my name is Robert M. Coard, and since 1968 I have been the executive director of Action for Boston Community Development, in Boston, MA, and it was founded 22 years ago by a committed group of Boston citizens, with the aid of $9.9 million of Ford Foundation grants, and since that time ABCD has, along with 939 other community action agencies, operated throughout the country and have become an integral part of the communities' educational, economic, cultural, political, and corporate life by continuing to promote self-help and innovative, practical, and timely services.

In Boston, ABCD serviced about 107,000 low-income residents annually. I also testify today as a president of the National Community Action Foundation, which is the national group which comprises all of the community action agencies throughout the country.

H.R. 5145 maintains this country's commitment to nearly 35 million poor citizens who continue to need the assistance that both Head Start, an excellent program, and the community services block grant, provide.

Too few of the people served by low-income programs, such as CSBG, Head Start, fuel assistance, have been helped by this improving economy so far.

Head Start is a program, by the way, that the administration notified us—we are the grantee for Head Start in Boston—that there would be a 1.5-percent increase this year, which does not even pay for cost-of-living increases for staff, which means that has to be eaten out of the existing program, which I think is very unfair, particularly if the administration says they are supporting Head Start.

ABCD runs a variety of programs and we have done extremely well in leveraging. In my testimony I mentioned that on an average most community action programs have at least a leverage of four times the CSBG dollars, and I was very glad to see the great praise that Dr. Vieth gave, reluctantly, for the community services block grant and a program, the community action program that is being run out there, and I really had to blink several times and I suppose that's why we're asking for a promotion for him to be Assistant Secretary of HHS.

But we think that the importance of that job merits that.

Mr. ANDREWS. Maybe we could reverse that.

Mr. COARD. Yes. [Laughter.]

We have a leverage ratio in Boston, our Boston program, of about 11 times what we actually get from a variety of sources. One program, for instance, which is particularly useful interms of tying in Head Start, as an example, is that we've had the Boston Gas Co., and two banks give money, to be a donation, donated funds for the title XX, so that we can have Head Start day care an extended day so that mothers who are working can have the enriched services of Head Start and still be able to work, because Head Start is a much abbreviated program during the day than it used to be, in the original days, which I remember.

And so the leverage there of State money and of title XX and of Federal money is really serving a package which is most useful to very low-income areas.

The other thing we have which is unique at ABCD is we have an urban college program for over 10 years now, in which the State community college system, two community colleges, have a branch at our headquarters for over 10 years, going on 11 years, and the University of Massachusetts has a branch there now, running 2½ years. The people on the staff of Head Start and entire program, and other community persons on the board, are able to get free college education, associates degrees and bachelors degrees, and a year and a half ago we got Lesley College, which gives masters degrees in management, and they are particularly famous in the area of child development.

And this is free. We have some, I understand, about 750 low-income persons enrolled, getting degrees, and it has been highly praised by the State, which puts in some money and effort, and this is one way in which community programs, together, can really do quite a lot.

We run fuel assistance, weatherization. We are in the Foster Grandparents Program. We even had a night at the Pops last year in which Nancy Reagan was the national chairman of the ABCD event. We also ran the largest JTPA or employment training program in the city of Boston, historically, and I have in mind, on my wall, a certificate for excellence in public-private partnership for ABCD and its program with the bank, signed by Ronald Reagan at the White House. It's one of my trophies on the wall. We do get praised by the Republicans, from their perspective, in terms of doing work for the poor.

And we have also a number of private industry programs. I mentioned the banks. Some of the biggest banks work with us, Xerox. The Dunfey hotels. We've had a chef training program in the Dunfey hotels for over 11 years now, in which we train chef cooks, all with the participation of CSBG money, as well as other funds in terms of doing that. The Summer Youth Program for the city of Boston has been run by us and has been designated so by the mayor, ever since it started.

We do refugee training with money from the welfare department, adult literacy programs, economic development programs. We run the surplus food distribution program, which Mr. Reagan has inaugurated. And we served 60,000 people several weeks ago on that. The Emergency Jobs Program, the homeless, family planning and other health programs. So, we have a great deal of packaging

and operation of programs in Boston that we do and we do quite successfully.

We have had praise from a number of persons from Washington in the administration in the past years who have visited us and been main speakers, including Peter Brennan, the Secretary of Labor under Nixon, Donald Rumsfeld, Jack Watson, Charles Dunca, the Energy Secretary, and a number of others that have praised the programs that we do, as a group. And we're quite proud to see that we're doing that.

This idea of cutting title XX, or rather, title XX was $2.7 billion in 1984—now. And it was $2.6 billion in 1976, which is actually—we have not made any progress. We actually got a major cut in 1981 of 21 percent, and so this business of so-called merging CSBG into title XX, you know, the word "poverty" is not even mentioned in title XX. I think that's a farce. And so obviously it's not something to be taken very seriously. And the money from title XX does not serve the poor, at least not in my community. Very little of it does. So that this kind of cut reminds me of the ways that doctors used to cure people in the old days, which was to bleed them and hope that they would somehow survive and flourish.

And also when I hear that somehow the good will survive, I mean, I think more of a preacher than someone who is trying to do something scientifically and really make sure we get the biggest bang for the dollar, which I as a taxpayer want to do. And I was quite surprised to hear Dr. Vieth not even knowing the figures and numbers and not even doing the evaluations.

We want to be evaluated. And I think the Office of Community Services should have a knowledge of these programs. I don't think they even know how many community action programs there are.

So the same administration that proposes that has already cut benefits for the low-income persons throughout the program situation in the Federal Government, and raised it—actually, there has been an effective rise in taxes for low-income persons and a significant tax cut for high-income persons. Low-income persons are paying about 22 percent more, those under $10,000, than 2 or 3 years ago, than 3 years ago. And over—those in high incomes are paying 15 percent less.

Thirty-five percent of the 35 million poor are children under 16. Another 11 percent are over the age of 65.

The Heritage Foundation has written that although the percentage of funds for the Office of Economic Opportunity and our kinds of programs is not as significant a percent of the budget, it must be done away with because of the symbolic meaning of the money. So, this is the answer to a question raised by Dr. Vieth and others this morning.

And also because of the symbolic value, I think the Federal Government should support helping the poor become self-sufficient. And that is all we are really asking you for, is some self-sufficiency.

H.R. 5145 would raise the authorization level from the current $389 million to $429.5 million in fiscal year 1985 and we think that is certainly reasonable, particularly since we have not even reached the level of $544 million, which is what we were in 1982. So, we're still trying to play catch up. The elevation of the current

director to Assistant Secretary, I mentioned that before. I think that's very praiseworthy. And we would like to support the inclusion of the Community Food and Nutrition Program and the Senior Opportunities Program as part of the discussion at the authority of the Secretary, restoring something which was, unfortunately, left out before, which very badly needs to be included.

We applaud the provision of the bill that requires the OCS to provide copies of its State by State evaluations of the use of CSBG funds to the authorizing committees of Congress, and we'd like to see them also, because they are very badly needed, and it's very hard to even justify the lack of this.

The bill would reduce the 90 percent to 85 percent, the CSBG funds which States must pass through to local eligible entitles. This part is somewhat controversial among the CAA's. However, the basic intent is to be able to have CAA service to cover areas which are presently unserved, which the Governors would also like to see. We would also like to see that. But we would not like to see it done at the expense of existing CAA funds, which themselves are quite inadequate.

The bill reauthorizes the grant for 5 years and it's absolutely critical in light of the President's continuing request to eliminate all funding for the block grant, and at the same time, Dr. Vieth says it has been successful. So, that's a heck of a way to reward success.

We have been trying to—the 939 CAA's and the nearly 80 limited purpose agencies have used block grant funds successfully to combat the effects of poverty, and we heard testimony today from Dr. Vieth and others with respect to that. We believe that title III of the human services amendments would provide a clear and simple and uncontroversial reauthorization of CSBG programs. It would also authorize perfecting changes in current law based on almost 3 years of field experience. It is particularly important to local service coordination that the CSBG programs are reauthorized this year in the same timeframe as Head Start, Follow Through, and other related human service programs, as they have always been, ever since their birth. They should be kept together, as one family should. We don't believe in breaking up families, by the way, Mr. Chairman.

Programs for the poor are never popular in times of tight budgets, and with looming budget deficits and the attention they've commanded, it's difficult to be an advocate for the antipoverty program.

Mr. Chairman, you have always shown a concern for the poor and particularly for children and the elderly in poverty. We thank you for this support and know that it will continue. We also thank you, Mr. Chairman, and the members of your subcommittee and the staff for initiating this very important legislation. Thank you.

Mr. ANDREWS. Well, thank you very kindly. We appreciate, again, your statement as well as your good support. And Ms. Warren, we welcome you, to supplement——

[Prepared statement of Wilma Warren follows:]

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PREPARED STATEMENT OF WILMA C. WARREN, EXECUTIVE DIRECTOR, VIRGINIA WATER PROJECT, ROANOKE, VA

Mr. Chairman, my name is Wilma Warren and I am the Executive Director of the Virginia Water Project and the Southeast Rural Community Assistance Program (R-CAP). I am pleased to have the opportunity to appear before you today to discuss rural water and wastewater and housing development needs throughout the nation, and the importance of the Secretary's Discretionary Fund of the Community Services Block Grant (CSBG) in addressing those needs. The Virginia Water Project is a non-profit organization which operates an R-CAP in seven states in the southeast. The Rural Community Assistance Project provides a range of community development services to predominately low-income rural communities in need of safe and affordable drinking water and disposal facilities. Across the country, five other regional technical assistance centers operate in a similar fashion and all share an identical goal: helping rural communities obtain safe drinking water and adequate waste disposal systems at a price they can afford. The R-CAPs, along with a number of rural housing grantees, make up the "rural housing and community facilities" section of the discretionary fund. I can assure you that without this funding none of us would be able to continue our program.

THERE IS CONSIDERABLE NEED FOR THE ASSISTANCE

There is a considerable need for adequate water and wastewater facilities in rural areas in all parts of the nation. For example, only about 50% of rural communities have public sewer systems. A recent study which Cornell University made for the Environmental Protection Agency (EPA) indicates that rural water contamination is much greater than believed. In fact ⅔ of private, or nonpublic water systems in rural areas have at least one maximum contaminate level (MCL) as measured by EPA. The southern region was found to have the most households and persons affected by levels of bacterial and chemical contaminants exceeding maximum contaminant levels-based references values.

Dr. Robert Northrup, M.D., Director of Community Health Services of the University of Alabama reported in a 1982 study that "the high rate of well water use, with the concomitant potential for contamination and the lack of indoor plumbing, are among the factors which lead to high infant mortality rates." U.S. Bureau of Census figures show an extraordinary degree of correlation between infant mortality rates and percentages of houses lacking complete plumbing. In North Carolina, of the 45 rural counties with infant mortality rates exceeding the state average, 39, of 87%, also exceed the state average for houses lacking complete plumbing facilities.

There is also considerable need for affordable and decent housing. According to the 1970 census, there were 2.9 million occupied substandard housing units nationwide, of which 850,000 were occupied by very low-income households. The 1980 census indicates that we have made great progress in the intervening 10 years, but not for low-income people. While the incidence of substandard housing has dropped to about 1.9 million units nationally and 85,000 in North Carolina the number of low-income units occupied by low-income households has remained the same: 850,000. As with many things in this world, the poor have missed out on much of the progress.

Mr. Chairman, it is also interesting to note the relationship between rural housing and community facilities development. A key indicator of substandard is lack of adequate plumbing. There are over 1.7 million units occupied nationally with inadequate plumbing, including the 85,000 in North Carolina and over 78,000 in Virginia. In many cases, while individual homes need a bathroom installed, more often than not the community itself needs a water system or a new well dug. In short, the rural housing community facilities combination is an important one to most small towns and rural areas.

THE ROLE OF OCS GRANTEES

Improving water and/or wastewater facilities is a major undertaking for any community—particularly for a small rural community with few professional staff and meager financial resources. Building a new water or wastewater system or rehabilitating or expanding an existing system is a long and intricate process: development of a new water system can take as long as four years; a sewer system may take ten. Some communities encounter so many obstacles that they give up in frustration. Others make mistakes they will have to live with—and pay for—for years.

For small communities that lack internal capacity for and past experience in developing public works projects, the Rural Community Assistance Program can mean

the difference between success and failure. With expertise in all phases of facilities development, the R-CAPs assist rural communities by providing technical assistance tailored to the unique requirements of each situation.

In the initial stages of project development, the R-CAPs help communities assess their water and wastewater needs and devise appropriate solutions. R-CAP staff works with community action agencies, community based organizations, local governments; they attend community meetings, assist in designing and carrying out community surveys, and sometimes help organize residents to ensure broad participation in and support for the project. They provide engineering reviews to reduce costs. When the last well ran dry in Moncure, North Carolina in 1981, the Southeastern R-CAP helped the community action agency and local decision makers plan and implement a successful community education effort on the need for approving a bond referendum. Construction funds for the water system were secured, and the community now has water again. Without these funds, citizens in your state and throughout the nation would continue to live without the most basic of necessities: clean drinking water.

Housing assistance is both an individual and community-wide effort. Rural Housing grantees work with low-income families on an individual basis to rehabilitate and weatherize their homes. They work with low-income rural communities to plan and develop rental housing for the elderly and low-income families. For example, in Kentucky, Eastern Kentucky Housing Development Corporation (EKHDC) is working with low-income elderly households to secure home repair loans and grants from Farmers Home Administration (FmHA). The agency then uses OCS funds to supervise workers hired under the Job Training and Partnership Act (JPTA) in the repair and weatherization of the homes. The OCS money received by EKHDC makes possible not only the rehabilitation of the housing units but also the training of previously unemployed workers. It is certain that without OCS funds over 50 elderly low-income households in Eastern Kentucky would still live in indecent and unsafe housing, and a number of people would not have received valuable training in construction skills.

In Massachusetts, Rural Housing Improvement (RHI) of Winchendon works with low-income rural communities in planning applications for rental housing. Project development of this kind is difficult and time consuming; federal housing applications require extensive research, analysis and negotiation. Most small, low-income rural communities simply do not have the staff or the expertise to carry out the work necessary to develop housing projects. For example, working with community leaders in the Town of Hubbardston and Northbridge, RHI is in the process of developing over 85 units of housing for the elderly. In Hubbardston, this is the first unit of assisted housing the community has ever had. In Northbridge a number of vacant schools are being rehabilitated to provide housing for senior citizens. Overall, with its OCS grants RHI is developing over 200 units of housing in rural Massachusetts.

ACCOMPLISHMENTS OF OCS GRANTEES

Mr. Chairman, in these times any program must be able to perform. The need is too great, the funds too limited for federal money to be wasted. I am pleased to report to you that I believe that the rural housing and water sewer grantees have done an excellent job in that regard.

The six rural water grantees (of R-CAPs) have worked with over 500 communities in 42 states across the country. By the end of fiscal 1983, the R-CAPs had planned or completed water or waste disposal systems that serve or will serve some 185,000 households. We estimate over 500,000 people will directly benefit.

Almost $100 million in private and public funds have been leveraged and jobs have been created. It is estimated that for every $1,000,000 invested in rural water or wastewater systems results in 37.8 person years of employment. In fiscal 1983, therefore, close to 3,600 person years of work came as a result of the R-CAP program.

The cost of supporting this program has been quite modest. The six R-CAPs receive about $1.6 million from the OCS Discretionary Fund. The R-CAPs per person cost has been $9.18 in OCS grant funds, and $54.42 has been leveraged in public or private funds for every dollar invested by OCS.

Rural housing production is equally impressive. Fiscal 1983 grantees will assist close to 1,000 low-income families in obtaining decent housing. In addition, over $17 million in private and public money has been leveraged and we estimate close to 700 jobs have been created.

THE NEED FOR THE PROGRAM

Mr. Chairman, I know I speak for all of us when I say we are grateful to you for your efforts to continue these and other important programs contained under the discretionary fund. I recognize there is little need to express to you our concern that this fund be continued and funding for these programs not be reduced further.

As you know, support from federal agencies such as HUD and FmHA for these training, technical assistance and development programs has been virtually wiped out, and the rural housing and community facilities programs funded until 1981 by the Community Services Administration (CSA) amounted to over 3 times the current appropriation for our programs. In short, while the effort we make is not equal to the need, it is effective and worth preserving. We hope that you will continue to be sensitive to rural community development problems, and look forward to working with you on this important legislation.

Ms. WARREN. I guess I need the microphone.

Mr. ANDREWS. Yes, please. It helps the recorder, among other things. The reporter.

Ms. WARREN. Mr. Chairman, my name is Wilma Warren and I'm the executive director of Virginia Water Project, which is the rural community assistance project grantee in seven Southeastern States under the Secretary's discretionary fund. In the consideration of the time problem that we're under, I will not read my full testimony. However, I would like to just say that the Rural Community Assistant Program funds six regional technical assistance agencies across the country to provide training and technical assistance and other services to low income, rural communities, and most particularly, using the community action agency network out there to assist those communities in developing and meeting their water and wastewater development needs.

Virginia Water Project has been in operation since 1969 and were begun—we were begun by the old Office of Economic Opportunity.

As I've listened to all the testimony this morning, the thing that has struck me so strongly is the thread, the common thread, that runs throughout all of the programs that we've been talking about. When Dr. Vieth said he can think of nothing that poor people need more than jobs I agree with him. But the problem in rural America is that one of the major roadblocks to the provision of job opportunities is the lack of adequate water and wastewater facilities.

And so I would say that the thing that low-income people need the most are safe and sanitary and affordable water and wastewater facilities. I am sure that those who are speaking for Head Start would say that what the low-income people need the most are educational opportunities and training for those jobs. So, it's very difficult to separate these programs, and I fully support and we fully support the other programs that come under the Community Services Block Grant.

There is also a strong correlation between the lack of adequate water and waste facilities in rural communities with high infant mortality rates, and I have mentioned the study that we've done in the Southeastern States, and in your State of North Carolina the correlation between the 45 rural counties with infant mortality rates exceeding the State average, 39 or 87 percent also exceeding the State average for houses lacking complete plumbing facilities. And while, to my knowledge, I have never seen a study that does an overlay of that for the whole country, we have done a study in

the Southeast and 87 percent is not, that's a little high but there is clearly a correlation there, and there is also, of course, a strong correlation between the need for—the lack of adequate water and wastewater facilities and adequate housing.

In fact, the very definition of substandard housing is housing without complete plumbing, indoor plumbing. And I must say that I'm very, very gratified that in the seventies there was enormous progress made in the reduction of substandard housing in rural America, and of course, one of the reasons that that was made, we'd like to think we had something to do with it, but the massive Federal commitment to funds for rural water and wastewater facility development which has, as you know, been drastically cut, and so we also, I am here to speak also in support of the housing grantees under the Secretary's discretionary fund.

I have cited several instances there of the accomplishments of both the housing grantees and of the rural community assistance projects.

The other point I would like to make is that if there is duplication of services in these programs, I would appreciate Dr. Vieth or this committee or anybody, if they would step forward and tell me where the ARCAPS can find other money in the Federal or State government to continue these programs. We feel a regional approach is efficient, is financially efficient, and I know in my State of Virginia, Virginia Water Project has had just super bipartisan support at the State and local level. But right now my State, and I think this is true in most States, where the cost of education is biting into any extra money that there is, if the Community Services Block Grant is phased out and there's no money to put there, to replace it, what it's going to do is pit those of us, groups here today, and teachers, those of us who are working to improve the lives of families and children in our States, against each other for that money.

Mr. ANDREWS. That's inevitable.

Ms. WARREN. So, we appreciate, and I speak for the rural community assistance projects throughout the country, and the housing projects. We appreciate your support. It is well known to us, and Mr. Owens, I was very gratified to hear you speak about the problems in rural America and to know that that's recognized. Just one more point and I will be through.

Our agency did receive a grant from the Ford Foundation 15 months ago to begin to develop, to give us the money to hire staff to develop private-public partnership, and to develop funds from the private sector, as Mr. Coard has been so successful in doing.

We have begun to have some responses. The problem is that most of the private money that we have received has come from either foundations or churches and in rural America IBM doesn't give out money to rural America, at least not in North Carolina rural counties. A big percentage of the land that's owned there is owned by absentee landlords who don't even have offices in those counties. And there is no corporate responsibility to put anything back in those counties. So when you say "Get the money from the private sector to those of us who are working in rural programs," it's a pretty bleak picture, except for the traditional foundations and churches that already have been supporting those programs.

Thank you very much.

Mr. ANDREWS. I'm well aware of that in my particular congressional district. It's a good example. I have Raleigh and Chapel Hill, Research Triangle area and so forth, which would fit into what she was describing rather well. She is somewhat accurate as to that immediate part of my district, which is most of it in terms of people.

I notice your name is Warren. Warren is one of the counties, without looking at your map, I know, in North Carolina that's among that 37.

Ms. WARREN. I'm a Ferguson with roots in North Carolina.

Mr. ANDREWS. Yes. [Laughter.]

I know why that's true and you know why that's true, and next door to Warren is a county named Franklin. I also have that county and it's very similar to Warren in terms of the fact it doesn't have the—it's adjacent to Wake County, which Raleigh is in. It's very close. But it's, in other ways, thousands of miles away in terms of the disparity of opportunity that exists among the two.

Ms. WARREN. That's right.

Mr. ANDREWS. Franklin in my district would be comparable to those you have described, and there's no IBM and no any other such resources as she's referring to. Excuse me for digressing.

You sound like a bottle of Spanish good wine or something. Amidei. That's a pretty name.

Ms. AMIDEI. Close. Very close. It's Italian.

Mr. ANDREWS. Good, good. We welcome you here.

Ms. AMIDEI. Thank you.

[Prepared statement of Nancy Amidei follows:]

PREPARED STATEMENT OF NANCY AMIDEI, EXECUTIVE DIRECTOR, FOOD RESEARCH AND ACTION CENTER

My name is Nancy Amidei. I am executive director of the Food Research and Action Center (FRAC), a private non-profit anti-hunger advocacy organization based in Washington, D.C.

I am pleaded to have the opportunity to talk with you today about the proposal to include activities related to the Community Food and Nutrition Program (CFNP) as "activities of national or regional significance" eligible for discretionary funding under Section 681(a)(2) of the Community Services Block Grant Act.

I would begin by emphasizing the reemergence of hunger as a nationally recognized problem clearly demonstrates the need for anti-hunger activities to be among those included in this act; the act which governs the major federal initiatives designed to identify the problems confronting low-income Americans as well as to identify and coordinate viable and cost-effective community responses to these problems.

The Congress identified and funded the CFNP to perform this role through FY 81. CFNP was one of the six (6) programs of "national or regional significance" specifically funded by the Congress through the Community Services Administration. These six (6) programs received approximately 21% ($106.5 million) of the total programmatic funds appropriated in FY 81 under the Economic Opportunity Act (EOA) which the CSBG Act replaced. Of the funds allocated to the national and regional programs, CFNP received the second largest amount, 26% ($26 million), and Senior Opportunities Services (SOS) received the third amount, 10% ($10.5 million).

The CFNP funded a wide range of public education, self-help, local and state wide activities focused on improving the effectiveness of existing anti-hunger efforts and developing new methods of eliminating hunger and fostering self-sufficiency and independence.

The CSBG Act of 1981, however, did not include CFNP or SOS as activities eligible for discretionary funding under the provisions of the act. Other important activities are funded by the Secretary's Discretionary Fund and adequate resources must be available to support all of the essential activities authorized in H.R. 5145.

Monies from other sections of the act to fund CFNP or SOS activities have been largely non-existent since total appropriations for the CSBG in 1984 were 30% less than 1981 levels for EDA ($390 million vs $543 million), and because in most states, Governors have had discretionary authority over 5% of the funds provided states under the act.

While other largely private resources have been used to finance some of these activities, such funds have been sadly inadequate.

This shortfall is particularly alarming since it has occurred at the same time that reports of increasing hunger have proliferated across the country. Public and private organizations and institutions at the national, state and local level agree that increasing hunger is among the major social problems they face if it is not the major problem.

The proposal to make CFNP activities eligible for discretionary funding under this act is an essential if modest step to help address this problem of national scope and consequences. These activities could play a crucial role in improving the mobilization and utilization of existing resources to help reduce hunger.

CFNP activities would include but not be limited to:

Identification of food and nutrition needs of the low-income population.

Coordination of existing public and private nutrition programs.

Public education to increase awareness of hunger and the resources available to alleviate its causes and effects.

Development and/or examination of short and long term strategies to reduce hunger and foster independence from emergency food assistance.

These are but some of the cost-effective activities essential to the reduction and elimination of hunger, but which are not now being undertaken simply because of an absence of resources. CFNP funds made available through the CSBG Act is a logical step to help close this gap.

STATEMENT OF NANCY AMIDEI, EXECUTIVE DIRECTOR, FOOD RESEARCH AND ACTION CENTER (FRAC), WASHINGTON, DC

Ms. AMIDEI. I really want to thank the committee very much for its support of Community Food and Nutrition Program activities. I was especially pleased to hear Mr. Coard's support of it as well, but particularly now, at a time when hunger is a growing problem, a real and rising problem, it seems appropriate to restore a program of proven effectiveness, and that's what the CFNP was. So, we're very pleased by the committee's response and we really do want to thank you for that.

I don't want to spend a lot of time on that because I think it might be useful for you and other members of the committee if I just talk a little bit about the problem of hunger that we think restoring CFNP will be able to do something about. And that's where I'd like to spend most of my time.

I do have to mention one thing. Ms. Greene gave a very good explanation, which I think adequately answered Mr. Williams' questions about what would happen if that Child Care Food Program money was transferred to the Head Start budget. I would like to underscore that, support that, confirm that. We work with Child Care Food Program sponsors around the country and we strongly oppose the notion of that transfer. There's no question that the reason that money is being transferred is so that it will not go up year after year. It's being transferred as a cost saving device. It will not go up, and the result will be that children will have less to eat.

And I had a very personal experience with that just last week. I'm on the road sometimes 4 and 5 days a week. I'm out of Washington. And one day last week I was with a group of 3 or 4 hundred day care providers from across the State of Illinois and some neighboring Midwestern States. Many of them are Head Start providers.

And I did a little straw poll, as I now do with child care providers and elementary school teachers. I said, "Is there a difference in your children on Monday morning?" And hands went up all across the room. I said, "I can't ask all of you personally but let me tell you what I've heard from other people and raise your hands. Are they tired? Are they cranky?" Hands went up across the room. "Are they restless? Are they having trouble staying awake?" Hands went up across the room.

"Do you have any idea whether or not this might be because they aren't eating regularly over the weekend?" Hands went up across the room.

There is no question that the food component of day care, and Head Start, is critical because so many of those children these days are coming from families whose parents have been unemployed for a year and a half or 2 years or 3 years except for pickup work and occasional jobs. They can't provide enough food over those weekends and the children are different on Monday mornings, and the schoolteachers tell us that and the day care providers tell us that, and it's a sad commentary to think that, as you noted, at a time when food costs are rising faster than the cost of living once again, that they're talking about putting a limit on whether or not that food component could also go up.

Let me move on to the issue of hunger, more generally. I brought along a chart. I think as much as anything it will tell you what we're dealing with. On the lefthand side you will see 1970. On the right hand side, 1982. This is based on the Census Bureau's own official statistics which are collected every March, issued every August. This is not a secret I'm leaking to you. This is public information.

[Chart follows:]

INCREASING NEED FOR FOOD ASSISTANCE
PERSONS WITH INCOMES BELOW 125% OF THE POVERTY LEVEL
1970-1982
(NUMBERS IN MILLIONS)

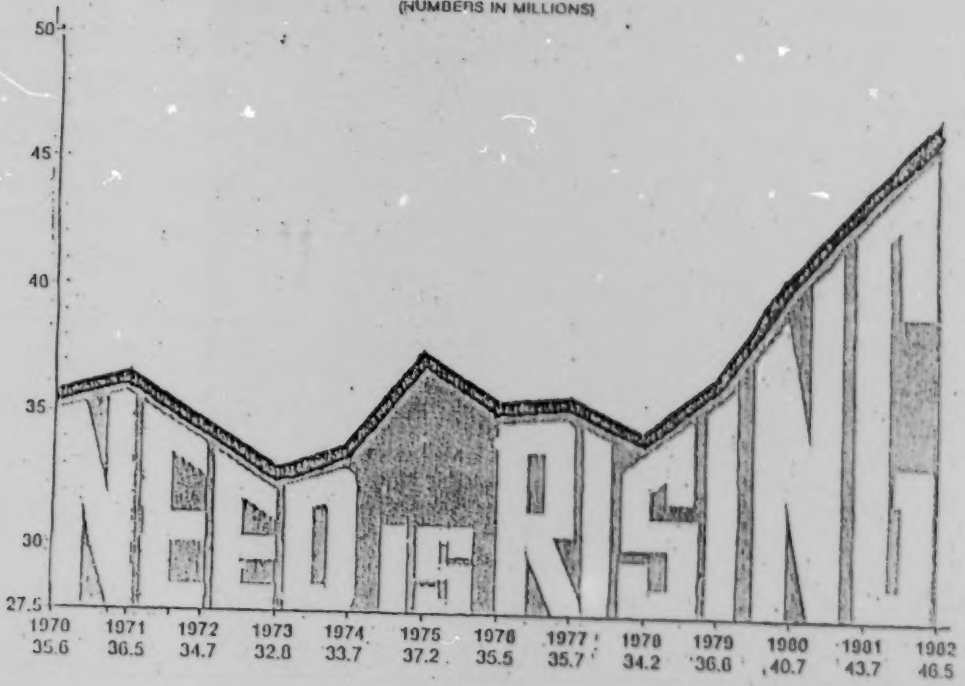
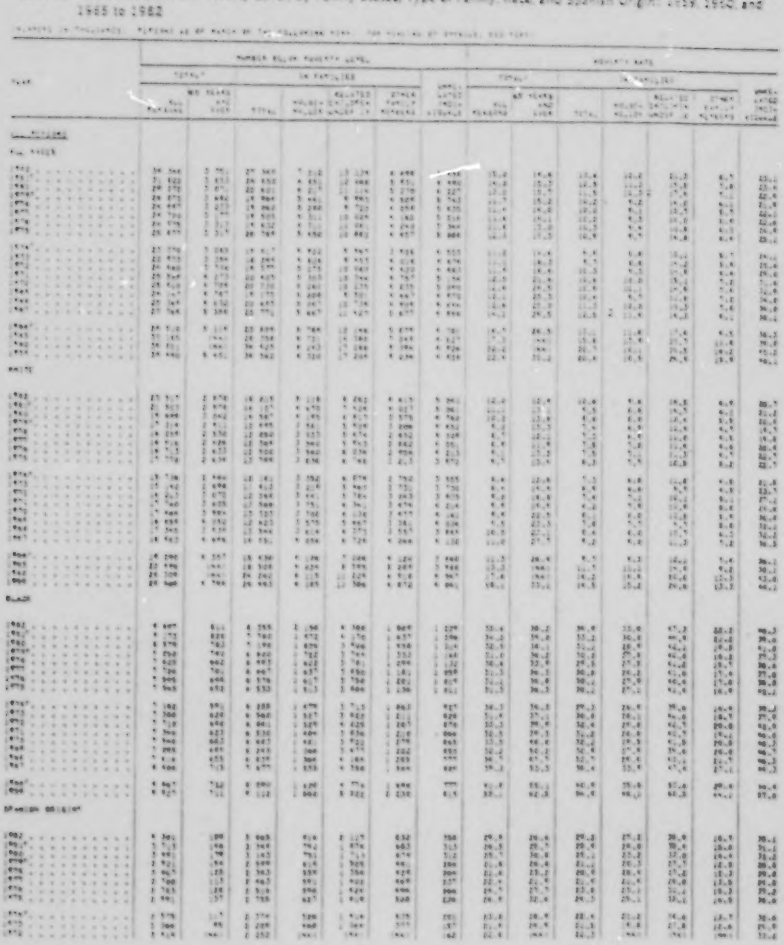


Table 15. Persons Below The Poverty Level, By Family Status, Type of Family, Race and Spanish Origin: 1959, 1960, and 1965 to 1982



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Ms. AMIDEI. You will see, if you notice, that this includes all the people whose incomes are below 125 percent of the poverty line right down at the bottom. And you will see also that in the 1970's, in the early part of the seventies, the number of people in those low income households was still going steadily down, as it had been for much of the sixties. Then you can see the recession of 1973, 1974, 1975, and then it starts tapering down again, and then you can see, just above the letter S, what started happening in 1978. Need began rising sharply, dramatically. Between 1978 and 1982 we added over 12 million Americans to the ranks of low income so that the total in 1982 was 46½ million Americans with incomes so low that they might be called at risk of hunger.

Now, we don't know from that how many are malnourished or hungry on a given day. But we do know two very important things. We know by the Census Bureau's own definition that these are people who are likely to have too little income to have an adequate diet. We know also whether the problem is growing or diminishing. And we know roughly the size of the problem. It's not 2 million. It's not 80 million. It's somewhere on the order of 35 million or 40 million or 45 million Americans who are at risk of hunger. That's the context in which your decisions about the Community Food and Nutrition Program are going to be made. It's also, I think, useful to mention something because of Mr. Vieth's comments earlier. He said the most important thing is jobs. There's no question about it. No one would argue with that, for employable people.

But that group over there, that 46½ million Americans, many of them are not employable. They are disproportionately the very young, the very old, minorities, and people living in households headed by women. Some of those people are employable, of course. But the children and the very old are not. And many of the people in that 46½ million are not going to show up in your unemployment statistics because they have no recent attachment to the work force.

For them having somebody get a job is terrific but it may not do anything in their household. That's a very important thing.

Let me move on to one other thing. And that is that the Government has another source of data that would tell us also, in addition to the State studies, the local studies, the private studies, the church studies, the individual studies, the studies that are piling up in my office that come in week after week, this week we got one from San Diego, last week we got one from New York State. It was an additional piece on their nutrition watch survey that's going on there. The week before it was the Citizens Commission on Hunger, in New England, which had gone into all the New England States. Every week it's another report. The stack is getting taller and taller and taller in our offices.

The Government itself has yet another piece of information from its own statistics and that is the information that comes into the Center for Disease Control on preschool children.

According to that information, which most people think is an undercount because they depend on clinics to voluntarily send them information and many of the poorest clinics can't afford to participate. According to that information, presented to Congress in October, as many as 500,000 preschool children may be suffering from

malnutrition, from the Government's own statistics. That's part of the context in which this decision is being made. It's not that we don't have evidence. It's a question of whether or not we're willing to look and pay attention to the evidence that we have, the evidence that is growing every day.

The last thing I want to talk a little bit about is something that people tell me I sound angrier about, and I guess I do, because I get angrier. But what I'm about to refer to is what I see. I've been around this Congress and around Washington for a lot of years now and I was around back in the old days when we were discovering hunger, in the late 1960's and the early 1970's, and I was out with those field hearings and in Washington working for the Senate Nutrition Committee, going through this same drill, and at that time the issue was whether or not we could put programs in place to meet a need that was just then being established and documented, and the answer that the Congress gave was yes. Reluctantly sometimes, but yes. They put food programs in place and by 1977, 1978, we had evidence that hunger was no longer a serious problem in this country.

We had gone in a decade from having children literally starving in America to a point when medical professionals and studies and Government data showed that hunger was no longer a serious problem. That was a minor miracle. Those programs are still there and they could still do the job. And today I'm a little older and a little crankier and I have a little bit less patience, and I'm tired of the fact that I am once again going through that same drill.

I go around the country and I spend my time in soup kitchens and food pantries that didn't exist 5 years ago. There wasn't anything but Salvation Army and Catholic Worker in the big cities, and that was about it. Now there isn't a city or town of any size that doesn't have an emergency food pantry or a food bank or a soup kitchen or something.

Princeton, NJ, Nassau County, Long Island; Napa Valley in California; everybody's got a soup kitchen. It's the only growth industry in the country. I've seen more soup kitchen and food pantries than I think any American should be willing to admit to and have any pride. It is a scandal. It is absolutely terrible.

And when I ask those food pantry people who their typical client is, they have a new answer for me. Two years ago they would have told me that it was typically an elderly alcoholic or maybe a disoriented street person. Now you know who it is? Typically, everywhere I go, Phoenix, western Massachusetts, Providence, RI, Texas, north Texas, Wisconsin, Minnesota, Chicago, Baltimore, MD, it doesn't make any difference where I go. The answer is the same.

Typical now is an employable set of parents with young children, employable adults with young children. That's who typically now must turn to food pantries and soup kitchens. We've let the public system of food stamps and school meals and child care food programs be eroded to a point where desperate families with no other way to feed their children are turning to soup kitchens and food pantries, and the other new fad in the soup kitchen world and the food pantry world won't make you feel any better. It's old people, senior citizens.

One young social worker in a church basement, in fact in Long Island, said to me, "Well, you know, I don't know how to describe it. It's, you know, proper senior citizens, you know, not old alcoholics. I mean proper senior citizens, the Social Security kind." That's who is turning up now. Because they have to pay more out of pocket for Medicare, they don't have money left, more for the utilities, more in some States still for their property taxes. They don't have money left for food. And they are loathe to turn out for private charity. They had it. They hang around outside. You have to coax them in.

When I saw that you are also going to restore SOS, that's the first thing that ran through my mind. Hunger is back. It is real. It is growing. And there's a good reason for it. The numbers are enormous. They may level off a little bit for 1983. They're not going to go down significantly. That is going to be with us, according to economists from all ends of the political spectrum, conservatives as well as liberals. They tell us that because the recession has been so deep and so long, it may be as much as a decade before we get back to 1979 rates of poverty in this country. That's what we're dealing with.

I don't want to go through another drill a year from now. I don't want to come back and report to you that I've been in more soup kitchens. I don't want to talk about more cases of babies who turn up in hospitals in convulsions because their parents didn't have enough money to give them milk or infant formula straight and they diluted it and the baby went into convulsions and had to go to the hospital. I don't want to have to stand here or sit here and tell you about more low birth weight babies being born, higher rates of infant mortality that could have been prevented, more people turning up in hospital emergency rooms in a new category that the emergency room people call the weak and dizzies. People have just passed out because they don't get regular solid food.

I'd like not to have to come back and tell you about that next year. Restoring CFNP is not going to take care of all that. We're going to have to do more. But it's one small, little piece of the problem that we can do. It would help make more effective use of existing resources. It would help us get better information about what's going on in the different communities, and it would send a signal, once again, through the CAP agencies, located around the country, that somebody has noticed this problem of hunger and cares and that, it seems to me, is worth the price.

Thank you.

Mr. ANDREWS. Well, very, very fine. Thank you so much for sharing with us a most interesting and rewarding and sacrificial life. You no longer remind me of a bottle of Spanish wine. I think I'll change it to champagne with a cork about to blow out. [Laughter.]

Ms. AMIDEI. As long as it's the expensive kind. [Laughter.]

Mr. ANDREWS. Yes, OK.

You know, we all think sometimes maybe in levity. I know I do. Somehow as you spoke I was thinking back about the different meanings, perhaps, of the word "block", and I guess they say our language is not very precise. I suppose that's right. And "block" certainly means at least two different things to me. As you talked you spoke about trying to put programs in place to meet a need.

And excuse me, this doesn't make a lot of sense, but I was thinking of something I heard recently that I thought was very interesting. It was about a man, I think, up in the Massachusetts or Maine, I think, area. Somewhere up there. He became very famous for taking blocks of wood and would just with a hand chisel and a hammer, he would carve from that block of wood ducks and various animals, just so precisely. He became very famous. A national magazine had pictures of him doing his work and then in color. He colors them. Various of his finished products.

And I understood 2 or 3 years ago that some people over at the administration were trying to tell us that we were maybe engaging similarly, as we tried to put programs in place to meet needs. They seemed to be saying, "Well, you're taking a block and you're chiseling away from it, trying to create something to send to somebody, and it's not what they need, and you've wasted a part of the block with all that chipping you did to try to form what's not needed there. So just take the block as it is, without chipping it, and sending it down there and let them utilize it as meets their best need."

Now, that's what they represented blocking as meaning. To me, in a rather facetious way.

Then I must confess to you a pride. I am from an area that has the Atlantic Coast Conference as, among other things. We have, of all the 267 division one NCAA teams in the United States, we wind up with 16 of them as finalists and 4 of them are from the Atlantic Coast Conference. It's am amazing feat. Two of them, the teams the immediate past champion, was from my district, N.C. State, and the one before that was from Chapel Hill. So, we have a lot of interest in basketball.

And this weekend we will be reading papers, giving accounts of the games of Thursday and Friday in Atlanta and the other three places, and you will find in the column, or in the columns that follow the names of the various players, and for purposes of that column you will be looking at the names of Sam Bowie and Patrick Ewing and Sam Perkins in North Carolina, and that column is called "blocked shots". And "block" means something very different there. It means "to slap it down", to "knock it backward", to "prevent its art, to prevent its traveling to wherever it was intended." So, "block" in that sense means something very different in sending that original block of something of value without trying to transform it to local needs, but nevertheless, let it go forward to a goal, that is, to the people who are hungry or who need assistance with water or whatever the other problems are.

That's not the way they mean the word "block". They misrepresented it. That's what they said they mean. But what they really mean is what Sam Perkins and Sam Bowie and Patrick Ewing will be attempting to do, and that is totally block the shot, to knock it backwards, knock it backwards, zero it. Turn it over to the other side by blocking the shot.

Well, that's facetious, but I think we all get the picture. And more importantly, we're all trying to here, I think, see that either in block or by design like a duck or design like a basketball, that we try to cause the resources of the nation to be used to a reasonable extent, to actually deliver by program or otherwise. Federal initiative, I think, is essential if that's to be accomplished, that we

divert a reasonable amount of our resources to the places of greatest need. And you've certainly enunciated well what many of those needs are, and our proposal is to work with you in accomplishing that and it's just a pleasure to be on the same team and see if we can't get the basket in the goal without its being blocked. Thank you very kindly. We look forward to working with you.

Ms. AMIDEI. Thank you, Mr. Chairman.

Ms. WARREN. Thank you.

Mr. COARD. Thank you.

[Whereupon, at 1:30 p.m., March 21, 1984, the subcommittee recessed, subject to the call of the Chair.]

APPENDIX

Prepared Statement of National Migrant Head Start Directors Association

The National Migrant Head Start Directors' Association represents 23 migrant Head Start grantees, 45 delegate agencies, serving 19,000 migrant children across the United States. Our programs are vast in terms of geographical areas covered and the unique support systems migrant Head Start grantees have developed in order to service families better.

Migrant Head Start grantees are referred to, within their own context, as either "homestate" or "upstream" grantees. A home state grantee is a program providing Head Start services in what is considered a migrant's home state. The home states include, mainly, California, Florida, Texas, Arizona and New Mexico. These programs provide Head Start services anywhere from six to nine months per year.

Upstream grantees provide Head Start services for migrant families as they travel to farm labor sites for work. Upstream programs provide Head Start services for migrant children and their families for periods varying from three to seven months. Consequently, migrant Head Start programs have to gear their efforts toward meeting a national mobile population of children. Linkages, coordination and communication among all 23 migrant Head Start grantees throughout the country are extremely essential for consistency and continuity of services for migrant children and their families.

At the same time, each grantee must develop its Head Start program at the local level in unique ways so that the mobility factor is always addressed. For example, the Texas Migrant Council (TMC) provides Head Start services in the "homestate" of Texas during the majority of the year. As children and families start their farm labor migration, TMC moves its Head Start progam to northern states where child development services for migrant children would be limited or non-existent. TMC must link in with other migrant service agencies within those states for auxiliary services, referral, resources, and support.

The East Coast Migrant Head Start Project, based in Virginia, contracts delegatee agencies along the Eastern seaboard to provide Head Start services to migrant children as they leave the Florida centers to travel with their families along the East Coast and into the Mid-west. Their regional coordinators provide technical assistance and training to these delegate agencies in the states of Florida, Alabama, South and North Carolina, Virginia, Delaware, New Jersey, Georgia, Pennsylvania, New York, Massachusetts, and Maryland.

Many of the other Migrant Head Start grantees cover either entire states like the Idaho Migrant Council and the Community Action Program of Central Arkansas or large regions of highly migrant populated states like Stanislaus County Department of Education in north central California.

Most migrant Head Start grantees are multi-purpose agencies that provide auxiliary services for migrants through other state, local, and/or national contracts. Consequently, other resources and services are networked for migrant children and their families to the maximum possibility.

Migrant Head Start grantees acknowledge the interstate travel of farmworker families by committing time and resources to the continuity of Head Start services. Efforts are both formal and informal, long run and immediate. For example, the National Migrant Head Start Directors' Association designed and implemented a parent held child service record which documents for both parents and programs health, handicap, dental, and developmental services. Because of this effort, harmful re-immunizations have been reduced. Several agencies are currently implementing a Continuity Record reflecting education skills. Services handicap children are also a primary source of grantee cooperation with appropriate releases, referrals and follow-up secured at both ends of the stream.

An example of the continuity of handicap services for migrant children was when the East Coast Migrant Head Start Project contacted the Michigan Head Start grantee (MEHD) about a migrant child who left their program before the results of a positive lead screening were received. The home state program only knew the child was in Michigan. Through their state-wide network system, MEHD found the child, enrolled him into the program and did the follow-up and treatment for lead poisoning.

Migrant Head Start grantees also develop and share bilingual/bicultural materials and curriculum, plus exchange ideas and systems on how best to meet the Head Start Performance Standards for a mobile population.

Because of travelling across state and regional lines, migrants are considered a national population. In order to serve migrant children and their families more effectively, Migrant Head Start grantees have developed networking systems nationwide. Because of this, Migrant Head Start grantees are committed to the continued maintenance of a national office with a national focus for the delivery of Head Start services to migrant children and their families. Any attempt by the Administration of ACYF to dilute this national focus, that has been in the legislation since 1971, would break the existing networking system for continuity and consistency of services for a child population that knows little continuity and consistency.

Because of the rural settings in which we operate programs, we are faced with substantial problems that all rural poor populations face. Our programs and families are located in very isolated areas. Finding licensable facilities in the isolated, rural areas is difficult. Once found and renovated there is little assurance we can keep them if local communities decide they want their facility for another purpose. Our transportation needs are great as costs soar and vehicle use is stretched to the maximum in covering many rural miles daily to bring children from the camps into the centers. Isolated areas also translate into scarcity of other supportive services, such as social, nutritional, dental and medical.

Obtaining adequate and timely health and handicap services is crucial for migrant children. Statistics show that migrant children are, indeed, at high health risk. Handicap statistics for migrant children reflect that they deviate from the rest of Head Start Handicap Statistics in areas of physical and health impairments as the following chart illustrates:

[In percent]

Handicapping condition	ACYF statistics [1]	Migrant statistics [2]
Blindness	0.3	0.2
Visually impaired	3.1	5.0
Deafness	.4	.2
Hearing impaired	3.9	9.0
Physically handicap	6.9	17.0
Speech/language	55.0	27.0
Health impaired	11.9	33.0
Mental retardation	6.3	4.0
Emotional disturbed	6.0	2.0
Learning disabilities	5.3	2.0

[1] 3-yr average (1978, 1979, 1981) of National ACYF Handicap Statistics.
[2] Handicap Statistics from the 1983 PIR data.

One area of greatest need is the continuation and expansion of Head Start services to migrant children under the age of three. These are the children of greatest risk. They are the ones left in trucks or brought to the fields so families can work. Many migrant Head Start programs know of children who have died under these conditions or who have survived near-death situations.

Although our obstacles are many so are our successes. The Head Start program has truly been the most important and effective service for migrant children and their families in our communities. It is impossible to quantify the effect of a deaf child who has just heard his first words with the help of a hearing aid provided by Head Start; or the effect of pride among parents as they pitch in to help renovate a building; or the effect of community spirit as local residents and migrants get involved with the migrant Head Start project; or the effect of staff commitment and love toward the children in the program; or the degree of mutual respect that devel-

ops between the migrant and local commuity staff members as they work together for the common goal of serving children. The list goes on.

Because these non-quantifiable effects of Head Start are long-lasting and profound, because Head Start has proven itself over and over as a program that not only works but a program that shines, we strongly support the five year reauthorization of Head Start. Head Start builds on family strengths, empowers parents, and in many communities, particularly the migrant communities of the labor camp in the north or the orange grove in the south, it has become a corner stone of credibility, dependability, and accountability.

The collective genius that conceptualized Head Start nearly 20 years ago, truly knew the strengths and needs of children and families. The basic components of Head Start with the emphasis on parents as key influential people in their childrens lives, was the first holistic approach to child development within the context of the family. Head Start not only has a high degree of respectability within our country but also it is being looked at as a child development model in other countries. Clearly with the high degree of credibility and accountability that Head Start has, a five year reauthorization is a justified Congressional and Administrative response for Head Start consistently surpassing its original goals and objectives.

We support the Administration of Children, Youth and Families to be the administering agent for Head Start. However, we must state that we are alarmed at the current position of ACYF to allow for only one year of eligibility for Head Start children. We see this position as extremely dangerous for continuation of the effectiveness of Head Start as we currently know it. For ACYF to consistently try to fix something that isn't broken leaves us in doubt of the sincerity of this Administration's commitment to Head Start.

We support the competitive bid process for new grantees as long as there are no existing fiscally or programatically sound Head Start agencies in the area. To do otherwise would leave Head Start vulnerable to political influences for funding instead of service delivery capability and accountability. We also support the funding for Head Start Technical Assistance and Training at the 1982 level. We see a need for continuing support the CDA effort. We oppose the transfer of Child Care Food money into the Head Start budget for fear of diminishing the nutrition components of our programs. We support a renewed emphasis from ACYF on the Head Start Performance Standards as without this renewed commitment we see the potential of the very foundation of Head Start eroding.

POSITION PAPER SUBMITTED BY THE GREAT PLAINS CONSORTIUM, INC., JANUARY 11, 1984

The Great Plains Consortium represents twenty-two Indian Head Start grantees serving 3005 children in the six-state Great Plains region. This consortium through its established relationships with the Indian and Migrant Programs Division and associate organizations maintains itself as a credible body through which positive input is given on all issues regarding the comprehensive development of and quality of program and administrative services.

In recent months there has been a major change in the administrative procedures and most recently the administrative make up of the Indian and Migrant Programs Division of Head Start. In the past this division has had some reasonable autonomy within the Head Start Bureau to make decisions based on the needs of the Indian and Migrant programs it serves. The changes which have taken place are a result, we believe, of the present HHS administration to "reorganize" the bureaucratic structure of HHS. We believe that these changes have only served Indian and Migrant Head Start programs in a detrimental way for the following reasons:

The present administration of the Department of Health and Human Services has made "reorganization" decisions without input from the programs and based them on virtually no knowledge of Head Start or of what it takes to operate programs at the grass roots level. The officials making these decisions have no Head Start experience and their decisions seem to be based on what they feel is a need to restructure the bureaucracy with little regard for how this effects programs. We wonder how much longer we must put up with this type of decision-making by HHS officials. We question the validity of these changes and their long range value when measured against the upheaval, confusion and instability they cause.

The changes and reorganization within IMPD cause a great deal of discomfort and confusion to what was an already established and reasonably functioning structure. Although there is much which is to be desired in IMPD not only in its relationship with programs but in the effectiveness of the administration, there is basically a

sound structure and administration with an understanding of Head Start and more specifically Indian and Migrant Head Start and a structure around which a comprehensive network for communication and growth has been built in Indian and Migrant Head Start programs. The present IMPD administration has a basic empathy and consideration for not only the uniqueness of Indian and Migrant Head Start but also a respect for the relationship of the Tribes to the Federal government. The division has always, by its structure, allowed for this unique relationship and for our programs unique needs. The formation of the IMPD task forces by the national Head Start Bureau further exemplifies the needs for a separately administered division for Indian and Migrant programs.

We believe the long range goal of this reorganization is to regionalize Indian and Migrant Head Start programs. Doing this will threaten that unique relationship of Head Start to Tribes and threaten the ability of programs to meet the needs of reservation and migrant settings. IMPD needs to be stabilized and strengthened. It is a basically sound structure and provides for Indian and Migrant programs. To change that structure and administration, most particularly—midyear, when programs need stability for optimal performance, is detrimental and insensitive. The HHS administration appears to be more concerned about the bureaucratic structure than program quality, stability or effectiveness.

Removal of informed leadership from IMPD has caused:

1. Delays in grant processing and thereby an inability of programs to function even at minimal levels.

2. Concern to existing Tribal governments for the quality of Federal Head Start management.

3. An inability of IMPD staff and administration to aid in critical policy determinations.

4. A void to exist in authoritative guidance from IMPD because their hands appear to be tied by supervisors which make or overturn decisions with: (a) No input or consideration for IMPD or grantees; (b) Little knowledge of the history of grantees; (c) Little knowledge or understanding of cultures involved; (d) Little understanding of the Uniqueness of the Indian and Migrants programs; and (e) Little respect for people working for or involved at the program level.

It is only with informed, knowledgeable leadership that the Indian and Migrant programs can effectively operate now or in the future.

We therefore recommend that no major changes occur in IMPD leadership or structure and again offer our assistance in determining if, when and how changes are necessary.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, November 16, 1983.

Hon. MARGARET HECKLER,
Secretary, Department of Health and Human Services,
Washington, DC.

DEAR SECRETARY HECKLER: We are writing to you to express our concern over the November 8, 1983 announcement published in the Federal Register providing for a comment period on the September 28, 1983 program announcement of the availability of financial assistance to establish or expand Head Start projects. By not giving respondents 30 days to comment and by not changing the December 16, 1983 closing date for applications, we believe that the Department is for all practical purposes disregarding Congressional intent that the proposed guidelines reflect the input of the Head Start, child development and education community.

The language in the conference report accompanying the Fiscal Year 1984 Labor-HHS-Education Appropriations Act states: "The conferees concur that Head Start funds shall not be allocated according to the regulations published in the Federal Register on September 28, 1983 unless these requirements are formally modified with opportunity for public comment." This directive was adopted because the September 28, 1983 program announcement violated both the Administrative Procedure Act and the provision in the Head Start statute which explicitly states: "At least 30 days, prior to their effective date, all rules, regulations, guidelines in the Federal Register and shall be sent to each grantee with the notification that each such grantee has the right to submit comments pertaining therefore to the Secretary prior to the final adoption thereof."

The November 8, 1983 announcement still violates both the letter and the spirit of the Administrative Procedures Act and the Head Start statute. Additionally, the

Department is clearly signalling that it does not intend to respond in a serious way to the concerns raised by Congress.

We would like to emphasize our dismay over the manner in which the Department is proceeding to implement the new competitive bidding process for Head Start. We hope that you will re-evaluate the Department's stance in this regard by proceeding to lengthen the comment period and moving the deadline for application submissions forward so that the final criteria will reflect the concerns expressed in comments submitted by the Head Start community and other interested parties.

Finally, we would like to underscore our support of the continuance of training, technical assistance, research, demonstration and evaluation activities, which are critical to maintaining the high quality of Head Start projects. We assume that these functions will not be reduced given the directives that both the House and the Senate have adopted instructing the Department to maintain funding in these areas.

We would appreciate your prompt reply to our letter. Thank you very much for your attention to this matter.

Sincerely,

Louis Stokes, Neal Smith, Joseph D. Early, ——— ———, Carl D. Perkins, Edward R. Roybal, Ike Andrews, D.E. Eckart, ——— ———, Pat Williams, George Miller, Silvio O. Conte, George M. O'Brien, Steny H. Hoyer, Major R. Owens, Bernard J. Dwyer, ——— ———, Carl Pursell, Bill Young, David Obey.

COMMITTEE ON EDUCATION AND LABOR,
HOUSE OF REPRESENTATIVES,
Washington, DC, March 6, 1984.

Hon. ALAN B. MOLLOHAN,
House of Representatives,
Cannon Building.

DEAR ALAN: Thank you very much for your letter and for forwarding a copy of Mr. Looney's communication regarding the Head Start Program. I want you to know that I certainly share your concerns on this important issue.

The Administration has repeatedly tried and continues to try to cut training and technical assistance under the Head Start Program. I want you to know that I am monitoring this situation very closely and will do everything I can to prevent this from occurring.

I have taken the opportunity to forward a copy of your and Mr. Looney's communication to Congressman Ike Andrews, Chairman of the Subcommittee on Human Resources, for his consideration as well. This Subcommittee has direct jurisdiction over the Head Start Program.

Please be assured that this issue will be carefully reviewed as the Committee begins reauthorizing the Head Start program in the near future. If I can be of any additional assistance to you, please do not hesitate to call on me.

With best wishes,

Sincerely,

CARL D. PERKINS, *Chairman.*

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, February 27, 1984.

Hon. CARL D. PERKINS,
Chairman, House Education and Labor Committee, Rayburn House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: Enclosed is a copy of a self-explanatory letter I received today from Mr. John Looney, Executive Director of the Northern Panhandle HEAD START Program in Wheeling, West Virginia, who advises me of the potential adverse impact a National Head Start Office policy change could have on West Virginia's program.

I would be most appreciative if you would review Mr. Looney's correspondence to see if there is any way that your Committee can be of assistance.

Thank you very much for your time and attention to this matter. I would appreciate your letting me know if there is some way you could help retain the Head Start State Training Officers.

Most sincerely,

ALAN B. MOLLOHAN.

Enclosure.

NORTHERN PANHANDLE HEAD START PROGRAM,
Wheeling, WV, February 21, 1984.

Congressman ALAN MOLLOHAN,
Cannon House Office Building,
Washington, DC.

DEAR ALAN: As a Head Start Program Director, I have an urgent concern I wish to pass onto you. The National Head Start office in Washington, D.C. is implementing a policy change that I suspect circumvents the intent of the Congress and I am certain will greatly weaken the Head Start programs in West Virginia. The funding for Head Start training and its informal network of statewide communication is being dismantled. Without the Training and Technical Assistance (T&TA), including State Training Officers (STO), Head Start will rapidly deteriorate.

Head Start still has its roots firmly planted in the philosophy of a poverty program. We hire staff from the parent volunteers working in our program. It is imperative we continue to get funding for a state training office and monies in each program to be used strictly for training staff. The funds for training needs to be restricted to training. If money is allowed to be put in a general operation account, it would surely go to other needs and ongoing training would suffer. Hence, children would not receive the services they deserve.

The State Training Office in this State consists of a part time secretary, Sandy Guthrie; a woman with a Doctorate and more wisdom and expertise than a person of her age should possess, Mary Ware. While Mary Ware's manifest function is to organize and coordinate training throughout the state (nearly thirty programs), her latent roles are equally important. The S.T.O. enhances the communication of problems and solution on all levels. For example: between Region III's over loaded staff and the under funded local programs, the S.T.O. offers a unique perspective to offer solutions. The S.T.O. may also clarify concerns to both regional and local programs. In the past, the S.T.O. has saved much grief and money for both regional office and local programs.

She helps parents across the state organize a strong viable parent association. Without insulting their dignity and pride, she takes unsophisticated people and guides them into organizing themselves a state organization that address the parents needs of each participating program. The members of the Parent Association are elected annually so you can see it is an ongoing job.

The S.T.O. has other functions of conducting statewide surveys local programs need for grant applications.

I cannot speak for other States Training Offices. There may be a problem, yet this wholesale act being implemented will cause irreversible damage to Head Start and put its future fundability in jeopardy.

Thank you for your continuing support of Head Start. If more information is needed, please contact me.

Sincerely,

JOHN W. LOONEY,
ACSW, Program Director.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, March 30, 1984.

Congressman IKE ANDREWS,
Chairman, Subcommittee on Human Resources, House Education and Labor Committee, Rayburn House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: Supplementing my letter to you on February 23, 1984, please find enclosed a copy of additional correspondence from my constituent, Mr. Richard M. Mandel, in which he proposed an amendment to H.R. 5145, the Human Services Amendments of 1984, regarding the Community Services Block Grant Program.

I would be most appreciative if you would give Mr. Mandel's additional views your most thorough consideration, bring them to the attention of the other mem-

bers of your Subcommittee at the appropriate time, and also let me know on his behalf whether a final decision on the reauthorization of funding levels by your Subcommittee can be expected.

Thank you for your cooperation and assistance in this matter.

Sincerely,

FRANK ANNUNZIO,
Member of Congress.

Enclosure.

MARCH 27, 1984.

Hon. FRANK ANNUNZIO,
Rayburn House Office Building,
Washington, DC.

DEAR CONGRESSMAN: Enclosed you will find a revision of Section 303 of the proposed Human Service Amendments of 1984, as contained in H.R. 5145.

Please forward this to the House Subcommittee on Human Resources for consideration prior to the date of the mark-up, which I understand to be the fourth of April. I hope it can be included in the bill that leaves the committee.

Thank you for your assistance,

Sincerely,

RICHARD MANDEL.

PROPOSED AMENDMENT TO H.R 5145

The following is a proposed addition to Title III, Section 303, of the Human Services Amendments of 1984:

SEC. 303. (a) Section 676(a) of the Community Services Block Grant Act (42 U.S.C. 9905(a)) is amended by striking out "a Director" and inserting in lieu thereof "an Assistant Secretary who shall be appointed by the President with the advice and consent of the Senate.

(b) Section 676(a) is amended by inserting the following: the Assistant Secretary shall provide adequate staff in each of Regional Offices of the Department of Health and Human Services to provide the oversight, monitoring and evaluation of the Community Services Block Grant program, as required by the Community Services Block Grant Act (42 U.S.C. 9905(a)).

(c) Section 676(b) of the Community Services Block Grant Act (42 U.S.C. 9905(b)) is amended by striking out "his functions" and inserting in lieu thereof "the functions of the Secretary".

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, April 2, 1984.

Hon. IKE ANDREWS,
Chairman, Subcommittee on Human Resources, Committee on Education and Labor,
Room 2178 Rayburn, Washington, DC

DEAR MR. CHAIRMAN: As a follow-up to the phone call from my office to Mr. Gordon Raley, attached is a proposed amendment to Title III, Section 303 of H.R. 5145.

I respectfully request your consideration of the attached language prior to the Wednesday mark-up.

Thank you for your attention

Sincerely,

DAVID E. BONIOR,
Member of Congress.

Attachment.

PROPOSED AMENDMENT TO H.R. 5145

The following is a proposed addition to Title III, Section 303, of the Human Services Amendments of 1984:

SEC. 303.(a) Section 676 (a) of the Community Services Block Grant Act (42 U.S.C. 9905(a)) is amended by striking out "a Director" and inserting in lieu thereof "an Assistant Secretary who shall be appointed by the President with the advice and consent of the Senate.

(b) Section 676(a) is amended by inserting the following: the Assistant Secretary shall provide adaquate staff in each of Regional Offices of the Department of Health

and Human Services to provide the oversight, monitoring and evaluation of the Community Services Block Grant program, as required by the Community Services Block Grant Act (42 U.S.C. 9905(a)).

(c) Section 676(b) of the Community Services Block Grant Act (42 U.S.C. 9905(b)) is amended by striking out "his functions" and inserting in lieu thereof "the functions of the Secretary".

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, April 5, 1984.

Hon. IKE ANDREWS,
Chairman, House Education and Labor Subcommittee on Human Resources, Rayburn HOB, Washington, DC.

DEAR IKE: The attached figures show the number of people eligible for OCS program participation per state based upon the 100 percent of poverty level requirement and the recommended 125 percent requirement using 1979 census data.

We do not know the exact number of people that would be affected if we used the SSI figure, but there are only six states with an SSI level above the 125 percent of poverty level: Alaska, California, Colorado, Connecticut, Massachusetts and Wisconsin. Alaska is the only state where the SSI income provided a single person exceeds the 125 percent level (See attachment "Poverty Level, State/Federal, SSI Payment Comparison").

Once you have had a chance to look at this information and consider California's particular predicament further, I hope Mr. Raley and Pat Fulton of my staff can sit down and discuss the matter more. Thank you for your interest.

Sincerely,

VIC FAZIO,
Member of Congress.

State	Number eligible using 100 percent of poverty	Number eligible using 125 percent of poverty	Difference between 100 and 125 percent thresholds
Alabama	683,792	933,571	249,779
Alaska	39,075	62,513	23,437
Arizona	331,102	478,266	147,164
Arkansas	417,264	576,308	159,044
California	2,611,160	3,690,346	1,079,186
Colorado	288,834	397,359	108,525
Connecticut	261,990	348,021	86,031
Delaware	68,530	93,468	24,938
District of Columbia	115,032	143,011	27,979
Florida	1,245,101	1,730,691	485,590
Georgia	868,818	1,163,248	294,430
Hawaii	92,045	132,157	40,112
Idaho	117,772	170,021	52,249
Illinois	1,284,165	1,672,002	387,837
Indiana	522,822	731,184	208,362
Iowa	266,318	377,921	111,603
Kansas	231,542	330,750	99,208
Kentucky	656,696	862,548	205,852
Louisiana	777,332	976,927	199,595
Maine	140,024	208,836	68,812
Maryland	409,072	555,602	146,530
Massachusetts	546,569	772,079	225,510
Michigan	1,004,214	1,351,009	346,795
Minnesota	369,508	526,479	156,971
Mississippi	599,851	772,078	172,227
Missouri	592,295	829,046	236,751
Montana	94,989	136,519	41,530
Nebraska	158,553	224,051	65,498
Nevada	67,022	95,385	28,363
New Hampshire	77,861	114,158	36,297

State	Number eligible using 100 percent of poverty	Number eligible using 125 percent of poverty	Difference between 100 and 125 percent thresholds
New Jersey	699,435	968,763	269,328
New Mexico	222,408	305,781	83,373
New York	2,344,499	3,124,342	779,843
North Carolina	827,331	1,153,040	325,709
North Dakota	79,925	115,128	35,203
Ohio	1,108,256	1,519,749	411,493
Oklahoma	390,875	530,677	139,802
Oregon	290,918	404,361	113,443
Pennsylvania	1,213,158	1,691,554	478,396
Rhode Island	93,732	131,643	37,911
South Carolina	479,033	659,594	180,561
South Dakota	107,091	145,210	38,119
Tennessee	760,068	997,342	237,274
Texas	2,054,894	2,763,600	708,706
Utah	153,677	218,776	65,099
Vermont	55,663	82,224	26,561
Virginia	594,434	814,917	220,483
Washington	409,586	578,517	168,931
West Virginia	276,447	376,824	100,377
Wisconsin	388,236	558,041	169,805
Wyoming	36,844	51,920	15,076
Total	27,672,069	37,792,767	10,120,698

Poverty Level, State/Federal SSI Payment Comparison

There are six states whose combined SSI and supplement payments raise a *single person's* income above the national poverty rate. The poverty rate (monthly) for a single person is $397.50 (1983). The federal SSI payment to an individual over 65 is $314 (1983). The six states which fall into this category, their monthly combined SSI and state supplement payments and their percentage of the national poverty rate follows:

States	Monthly payment	Percentage of poverty level
Alaska	$556.00	1.43
California	477.00	1.20
Connecticut	480.00	1.21
Idaho	402.00	1.02
Massachusetts	442.00	1.12
Wisconsin	413.70	1.04

There are nineteen states whose combined SSI and supplemental payments raise a two person household above the national poverty rate for a couple. The poverty rate (monthly) for a two-person household is $501.67 (1983). The federal SSI payment to a two-person household where at least one person is over 65 is $472 (1983). The nineteen states which fall into this category, their monthly combined SSI and state supplement payments and their percentage of the national poverty rate follows:

States	Monthly rate	Percentage of poverty level
Alaska	830.00	1.66
California	886.00	1.77
Colorado	744.00	1.49
Connecticut	760.00	1.52
District of Columbia	502.00	1.001

States	Monthly rate	Percentage of poverty level
Idaho	530.00	1.06
Massachusetts	673.72	1.35
Michigan	508.40	1.02
Minnesota	538.00	1.08
Nebraska	579.50	1.16
Nevada	546.46	1.09
New York	548.03	1.10
Oklahoma	616.00	1.23
Pennsylvania	520.70	1.04
Rhode Island	570.30	1.14
Vermont	565.00	1.13
Washington	508.40	1.02
Wisconsin	633.00	1.27
Wyoming	512.00	1.02

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, April 5, 1984.

Congressman IKE ANDREWS,
Chairman, Committee on Education & Labor, Subcommittee on Human Services, Rayburn HOB, Washington, DC.

DEAR IKE: This is to inform you that I would be pleased to join with you in cosponsoring H.R. 5145, the Human Services Amendments of 1984.

I see these programs which are authorized under this act as vital, extremely effective, and contributing to poverty prevention. I am especially interested in our colleague, Ms. Mikulski's program, H.R. 2242, of which I am also a cosponsor of. I do hope this measure proves beneficial in establishing centralized systems which will attempt to link families with child care services.

My staff has already contacted your Subcommittee to add my name to the list of cosponsors. I commend your efforts. Please let me know if I can be of assistance in supporting this measure.

Sincerely,

HAROLD FORD,
Member of Congress.

OREGON HEAD START DIRECTORS ASSOCIATION,
April 4, 1984.

Hon. IKE F. ANDREWS,
Chairperson, Human Resources Subcommittee, Rayburn House Office Building, Washington, DC.

DEAR REPRESENTATIVE ANDREWS: We are pleased with the contents of the Head Start reauthorization bill now being written by your subcommittee.

Thank you for understanding Head Start and seeking to protect the performance standards, training systems and other regulations that keep Head Start a viable, effective program.

We in Oregon appreciate your work.

Sincerely,

LINDA J. CRUM
(For Oregon Head Start Directors).

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, July 12, 1984.

Hon. IKE ANDREWS,
Chairman, Subcommittee on Human Resources, Committee on Education and Labor, Rm. 2178 RHOB.

DEAR IKE: I am concerned about recent funding for the Head Start Program as it relates to New York City. As you know, Congress mandated expansion funding for this very worthwhile program. As a result, New York state received $6.5 million under the funding formula set up by Congress. However, even though NYC has 65% of the eligible children in the expansion Head Start Program, the Department of Health and Human Services saw fit to allocate only 27% of the $6.5 million to NYC.

I would appreciate any assistance you could give me in determining the rationale for this action. Further, I intend to head a NYC delegation to meet with Secretary Heckler to discuss this matter and would like to have the benefit of your expertise.

With warmest regards, I am

Sincerely,

ROBERT GARCIA,
Member of Congress.

CONSORTIUM OF SOCIAL SCIENCE ASSOCIATIONS,
Washington, DC, October 6, 1983.

GORDON A. RALEY,
Staff Director, House Subcommittee on Human Resources, Rayburn House Office Bldg., Washington, DC.

DEAR GORDON: I am delighted that Representative Andrews is interested in investigating further the situation over at OHDS regarding research funding and appreciate having had the opportunity to talk with you about what COSSA has done on this matter. This morning I left with your secretary the home phone numbers of several people who would be willing to talk to you.

I am enclosing a copy of the Adolescent Family Life Act to which I referred at our meeting. I have marked in red references to the review process that is required as part of this program. I think these provisions provide an excellent model that OHDS could and should emulate. I am also sending along a copy of several articles about the peer review process at NIH that describe in detail how grants that are submitted to NIH are reviewed.

Please don't hesitate to call if I can be of further help.

Sincerely,

HELEN RAUCH, PH.D.,
Staff Associate.

Enclosures.

RESEARCH GRANT REVIEW PROCESS

The steps involved in the NIH Division of Research Grants (DRG) review process of a grant application are summarized in the following outline:

I. The incoming application arrives at the DRG Mail Room, which sends it to the Referral Branch.

II. Referral Branch uses working copies of application supplied by applicant investigator and:

- A. Acknowledges receipt of application: files original copy of application for subsequent duplication.
- B. Logs application in: sets up a working file.
- C. Checks application for essential signatures, etc.
- D. Checks NIH data bank for:
  1. Past or concurrent grant applications from the applicant.
  2. Conflict of interest problems related to review.
- E. Allocates identification codes.
- F. Assigns application to appropriate Study Section (for initial review for scientific merit) and to a Bureau/Institute/Division (BID) for subsequent award (if the application is approved.)
- G. Sends original copy of application to Print Shop for duplication: distributes copies.

III. Dual review for scientific merit—

- A. Study Section (an Initial Review Group), administered by an Executive Secretary.
  1. Working file set up.
  2. In-depth review assigned to two or more reviewers.
  3. Copies of each application sent to all Study Section members for examination.
  4. Study Section consideration:
     - a. Individual review of each application:
       1. Each assigned reviewer presents oral report of his/her comments.
       2. General discussion by Study Section members.
       3. Avoidance of conflict of interest in review.
     - b. Action:
       1. Formal motion, and second, on recommended action.
       2. Vote by show-of-hands, with three possible alternatives, all on bases of scientific merit only:
          - a. Approval, with assignment of priority score required of each member.
          - b. Disapproval (no priority score assigned.)
          - c. Deferral, if additional information is needed: often with project site visit recommended (no priority score assignment.)

5. Summary Statement ("pink sheet") with priority scores prepared by Executive Secretary, to document Study Section action on each application. These forwarded to BID, together with all other records concerning the application.

B. Council review for program relevance and adequacy of initial review: favorable recommendation by Council legally necessary before an award can be made. Each BID has a Council (or equivalent.)
1. BID sets up the official file for prospective incoming applications after referral.
2. Staff program administrator assigned within each BID to each application, to:
   a. Check application for BID related interests and potential problems (especially with regard to policies.)
   b. Attend Study Section meeting when application is considered.
   c. Answer Council's questions about applications and (in collaboration with Executive Secretary who also attends) document Study Section's recommendation.
   d. Notify applicant of recommendation.
   e. Administer approved and funded grants.
3. Summary Statements sent to each Council member before meeting.
4. Council consideration takes into account matters of policy, ethics, relevance, etc., as well as scientific merit.

IV. BID awards for Council-approved applications are dependent on:

A. Scientific merit of the application.

B. Staff and Council assessment of the project's relevance to the BID's stated program goals.

C. The amount of money available.

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Federation Proceedings

Peer Review of Research Grant Applications at the National Institutes of Health

CATHERINE HENLEY
Division of Research Resources,
National Institutes of Health

FEDERATION OF AMERICAN SOCIETIES FOR EXPERIMENTAL BIOLOGY

AMERICAN PHYSIOLOGICAL SOCIETY
AMERICAN SOCIETY OF BIOLOGICAL CHEMISTS
AMERICAN SOCIETY FOR PHARMACOLOGY AND EXPERIMENTAL THERAPEUTICS
AMERICAN SOCIETY FOR EXPERIMENTAL PATHOLOGY
AMERICAN INSTITUTE OF NUTRITION
AMERICAN ASSOCIATION OF IMMUNOLOGISTS

Special Reports

Peer review of research grant applications at the National Institutes of Health 1: the assignment and referral processes'

CATHERINE HENLEY

Division of Research Resources, National Institutes of Health, Bethesda, Maryland 20014

Preparing a research grant proposal for submission to any granting agency is a formidable task. When it has finally been completed and the application has been mailed, the author of the proposal often experiences a somewhat letdown feeling of anticlimax, which is succeeded by a growing sense of impatience as the days go by with no word on the fate of his application. This period of hiatus for the prospective investigator is very far from inactive for the body to which the application has been sent, however, and in this communication the progress of an application to the National Institutes of Health (NIH), for support of a new original individual research project, will be followed in detail. Each step of the processing and review procedures will be examined in an attempt to remove some of the mystery that, unfortunately, appears to enshroud these procedures for many investigators.

For other, less detailed, accounts of the NIH review procedures, see the papers by Allen (1), Eaves (2, 3), Merritt and Eaves (4) and White (5).

THE PEER REVIEW PROCESS: GENERAL ASPECTS

At the National Institutes of Health, the initial review procedures for certain types of research grant applications, but not all, are the responsibility of the Division of Research Grants (DRG).

This process, which is generally referred to as peer review, involves study of a research proposal by two separate and distinct advisory bodies, in dual review. Both these bodies include scientists (the "peers") among their membership. The initial evaluation of a grant application, for scientific merit, is by an Initial Review Group (IRG), which, for applications reviewed by the Division of Research Grants, is called a Study Section. The second evaluation is by a National Advisory Board or Council, composed of both lay persons and scientists. The interactions and essential roles of both components of peer review will be discussed in detail.

It is most important to differentiate between the roles of the Division of Research Grants, on the one hand, and the collective Bureaus, Institutes, and Divisions (BIDs—see "terminology" below) on the other; for the most part, their respective functions are very different. The DRG is an autonomous unit of NIH with the responsibility for evaluating certain types of proposals for scientific merit; it is in no way involved in the funding of applications recommended for approval. BIDs, in contrast, receive separate individual appropriations from Congress, and dispense these moneys for (among other purposes) extramural research supported by grants, as one of their major responsibilities.

The procedures described below will deal principally with what are often referred to as "traditional, investigator-initiated applications," coded R 01. These describe original research projects to be carried out by a Principal Investigator, with or without a staff of professional associates. The review of such applications is usually in the purview of the Division of Research Grants and typically is carried out, for the first component of the dual review, by one of the Division's Study Sections. It is the type of peer review with which most researchers are familiar and was chosen as an example for this reason. However, there are BIDs which conduct all or part of their own review processes, often in a procedure modeled on that used by DRG.

Terminology used

Because this is a very generalized account of peer review, and because there can be confusion concerning the interpretation of certain usages, it is necessary to state exactly the sense(s) in which such descriptive terms are being used here:

Applicant: Grants are made by NIH almost exclusively to institutions, and not to individuals. Legally, therefore, the applicant investigator's home institution (a responsible official of which signs the application) is the true applicant. In order to clarify this point, the terms "applicant institution" and "applicant investigator" are specified throughout, except in cases where either component could

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[1] This paper is adapted from a document prepared for the Grants Peer Review Study Team, National Institutes of Health. Parts 2 and 3 will follow in the August and September issues of *Federation Proceedings*.

Abbreviations: DRG, Division of Research Grants; IRG, Initial Review Group; BIDs, Bureaus, Institutes, Divisions.

properly be meant, in which case "applicant" (alone) is used.

Initial Review Group (IRG) versus Study Section. Strictly speaking, "Study Section" is descriptive *only* of the Initial Review Group used by the Division of Research Grants. The generic term "Initial Review Group" (IRG), which is more applicable in a general sense to *all* groups carrying out the first stage of peer evaluation, is coming into much wider use at NIH. In this paper, the term "Study Section" is used in the specific sense (designating DRG groups) and "Initial Review Group" in a wider and more general application.

Bureaus, Institutes, Divisions (BIDs). Throughout this paper the term "BID" is used as a convenient shorthand to designate the three organizational components of NIH. Although the majority of such subunits are, in point of fact, designated "Institutes," some are Bureaus or Divisions, the other two major NIH components. Another synonym for this usage is "awarding unit."

RECEIPT OF APPLICATIONS

The Document Control Unit of the Division of Research Grants is the first organization to receive an incoming grant proposal. Usually the packet will include the original copy of the application forms, plus six copies of it (hereafter referred to as "working copies"). There is a tripartite postcard, two portions of which have been self-addressed for return to the applicant (see below). Sometimes there is also a covering letter from the applicant institution, and such supplemental supporting material (reprints, unpublished manuscripts, micrographs, tables, graphs, and the like) as can be provided to further strengthen the application.

THE ASSIGNMENT AND REFERRAL PROCESSES

In the Referral Branch of DRG, an application is assigned to a Study Section (for initial review) and referred to a BID (for possible funding if it is approved).

Preliminary processing of incoming applications

The date of receipt is stamped on the triple postcard submitted with the application; one of its three parts is now returned to the applicant. The application is checked to be sure all official required signatures, etc., are present and in the correct form. Next, the NIH microfilmed data bank is searched for the applicant investigator's name with respect to such matters as earlier applications and their disposition, as well as concurrent applications presently pending. This search will also reveal the membership of the applicant investigator, or any key member of his group, on an NIH Study Section or other Initial Review Group. Such membership automatically requires special procedures, indicated below.[1]

Assignment to Study Section and referral to BID

The application is next sent to the Referral Office, where a very important initial screening is carried out, to ascertain the relevance of the proposed research to NIH's stated goals. This mission is very broadly described as the advancement of the health and well-being of the American people. Applications deemed not to be health-related, and thus irrelevant to the overall mission of NIH, are returned to applicants, without review.

Those proposals that do fall within the NIH's areas of interest are examined in detail by the Referral Officers, all of whom are professional scientists, on the staff of DRG. Here decisions are made concerning the review group and prospective awarding unit, and parts of the application number[2] (by which the proposal will subsequently be known) are assigned.

One important component of the identification number is the code designation for the BID to which the application will be referred for funding if approved. Each such BID has specific written guidelines for the areas of special interest to it. Occasionally, the subject matter of an application may overlap the interests of two BIDs. In such cases, dual assignment may be made, with the prime assignment going to the BID whose area receives the greatest emphasis in the application. The handbook used by Referral Officers has extensive and evolving specific guidelines for the assignment of such applications having areas of overlap between BIDs.

The Referral Officer then decides on the appropriate Study Section to which the proposal should be assigned, for review of its scientific merit. Written guidelines are published for all Study Sections, indicating the membership of each and a listing of the areas in which each member has expertise. The Referral Officers also depend heavily on the application itself in this assignment process, with especially careful study of the "Introduction," "Abstract," and "Significance" sections, and of the proposed methodology. When a decision has been reached concerning the appropriate Study Section, the Referral Officer affixes a code indicating the group's name to the cover-sheet of the application.

The assigned Study Section and BID codes are next typed onto the second portion of the postcard (which will be returned to the applicant), and onto the third part (retained in the NIH files). The Study Section and BID codes are also added to the original copy of the application and to each of the six working copies supplied by the applicant investigator, and the information is logged. Finally, a serial number, sequentially assigned to the awarding

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[1] Referral Officers decide whether applications from current members of review groups can appropriately be sent to an existing Study Section other than that on which the applicant investigator holds membership. If the necessary expertise is lacking in a preexisting IRG, a Special Initial Review Group will be set up. This is an ad hoc group composed of no fewer than five members, created only for the specific review by the Special Programs Branch of DRG. The DRG's 1976 *Handbook for Executive Secretaries* makes the following statements concerning the membership of Special Study Sections:

> the review group may be composed of former Study Section members, members of other Study Sections and special reviewers. No more than 50 percent of the membership of an ad hoc review group may be current members of the Study Section of which the applicant, or a member of his group, is a member . . . It is advisable to select as chairman of the review group a person who is not a current member of the Study Section of which the applicant is a member.

[2] The code designations used by NIH in bewildering arrays in extramural research administration play a very vital role in information retrieval. They are all part of a sophisticated computer-based system for record keeping.

BID, is assigned, typed on the various copies, and logged.

The complete identification number of a grant proposal, then, (e.g., 2 R 01 GM 15311-05A1) may be "translated" as shown in Table 1.

The final steps in grants processing for which the Referral Branch is responsible include making arrangements for distribution of the six working copies, and for duplication of the original copy.

From this account the great importance of the working copies (which have been used in all processing to this point) should be clear. None of the procedures thus far described could have been carried on without them, and the entire process of review and decision-making would have been greatly delayed.

The Referral Branch's responsibilities for the application are now ended, and these pass to the Executive Secretary of the Study Section that will provide the initial scientific review for merit.

TABLE 1. Breakdown of grant proposal identification number*

Application type	Activity code	Awarding organization	Serial number	Suffixes†	
				Grant year	Other‡
2 (Competing renewal)	R 01 (Investigator-initiated project)	GM (National Institute of General Medical Sciences)	15311	-05 (Fifth year)	A1 (First amendment)

* The entire series of letters and numbers is to be found in the upper right-hand corner of the application's first page. Applicants can greatly facilitate any inquiries they may make about applications if they are able to give this complete identification code. † These follow the grant serial number, separated from it by a hyphen. ‡ "A" plus a number designates an amendment to the application or a revision of it; "S" plus a number designates a request for a supplement.

Applicants' role(s) in referral and assignment

There are several areas in the referral and assignment processes where applicants can have a voice concerning the review of their proposals.

1) Suggestions may be made, at the time the application is submitted, concerning Study Section(s) and/or BID(s) which are considered to be especially appropriate to receive the application.

2) If the Study Section and/or BID assignment the application has received (as indicated on the receipt postcard portion) seems unsuitable, in whole or in part, to the applicant investigator, he or she can request reassignment before merit review is initiated.

3) Dual assignment to two BIDs may be requested, if the applicant investigator feels the subject matter of her or his proposed work is of potential interest to more than one BID.

4) Occasionally, an investigator may believe that adequate expertise is lacking on any extant Study Section for review of an application involving new scientific fields or unique procedures. In such a case, the applicant has the option of suggesting the names of potential reviewers considered competent to evaluate the proposed work.

In support of all such requests, detailed and specific written documentation should be submitted, setting forth the rationale for requesting the action. If review of the application is not to be unduly delayed, such requests should be submitted to the Division of Research Grants as early as possible.

It is important to note that although DRG does accept such requests, they must be considered in the light of other constraints, and therefore DRG must reserve the final decision to itself.

The author is especially indebted to the following persons, for advice and help of many sorts: Dr. Ruth L. Kirschstein (Chairwoman), Dr. Mathilde Sakowitz (Executive Secretary), and Dr. S. Stephen Schiaffino (all of the Grants Peer Review Study Team); Drs. Helen M. and Donald P. Costello; Dr. Eugene Strecker; and Dr. W. Donald Newton.

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Special Report

Peer review of research grant applications at the National Institutes of Health 2: review by an Initial Review Group[1]

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The Study Section Office

The office of the Executive Secretary administering the Study Section to which the application has been assigned for review now becomes the focal point for the scientific evaluation of the proposal. Here, receipt of the application is logged and check sheets and other apparatus for processing the application are initiated. The Executive Secretary reads the application through, to become acquainted with the project, and to be certain there are no missing or deficient areas. If this examination indicates portions that need further clarification, expansion, etc., the applicant investigator will be contacted, so that these can be improved *before* the proposal reaches the reviewers.

This office is also responsible for publication of the required Notice of Meeting, in the *Federal Register*.

Initial review

The Executive Secretary assigns the application to two or more Study Section members for in-depth review, before the Study Section is scheduled to meet. If the necessary expertise for review is not represented on the Study Section, ad hoc reviewers may be added for this occasion, and/or outside opinions may be obtained.

The Executive Secretary is charged with making every effort to be certain that there is no personal bias, for or against, the applicant investigator, on the part of the assigned reviewers, and that they cannot in any relevant sense be considered to be professional rivals or friends.

As their first step in the process of in-depth review, the experts who have been specifically assigned an application examine it to decide whether they need additional information, supporting data, project site visits (see below), and the like. They may also suggest that outside opinions be sought if they doubt their own competence to provide a review of the necessary quality and thoroughness.

Copies of all applications are mailed to each Study Section member 6–8 weeks before the group's scheduled meeting. Although a reviewer is especially responsible only for those proposals assigned to him/her, it is expected that each member will read every application and be prepared to discuss its strengths and weaknesses in an intelligent fashion.

Criterions for evaluation

With the idea that it might be helpful for applicants to have concrete statements of the review criterions, and of the overall features reviewers keep in mind as they go over an application, the following extracts from the 1976 edition of *Orientation Handbook for New Members of Study Sections* are presented:

> (Page 5) Study Sections review applications on the basis of scientific merit, which includes an assessment of the importance of the proposed research problem, the novelty and originality of the approach, the training, experience, and research competence or promise of the investigator(s), the adequacy of the experimental design, the suitability of the facilities, and the appropriateness of the requested budget relative to the work proposed.

The "Guide for Reviewers" is reproduced from Appendix III of that Handbook (see next page).

The Study Section meeting

At the Study Section meeting, the Chairman or Chairwoman (a member of the Study Section, selected by the Executive Secretary) presides, aided by the Executive Secretary. Also present, in addition to the Study Section members, are observers (from the Bureaus, Institutes and Divisions (BIDs) represented from among the applications, for example), liaison members from certain other Federal agencies, and clerical staff from the Study Section office. Only Study Section members, including the Chairman or Chairwoman, may vote on applications. Usually, the proceedings are arranged so that all applications assigned to a given BID are considered together, in sequence.

The initial part of the meeting is open to the public, for consideration of administrative matters. At present, the review of grant applications is

[1] This paper is adapted from a document prepared for the Grants Peer Review Study Team, National Institutes of Health. Part 1 appeared in the July issue of *Federation Proceedings*, page . Part 3 will follow in the September issue.

Abbreviations: DRG, Division of Research Grants; BIDs, Bureaus, Institutes, Divisions.

GUIDE FOR REVIEWERS' PRELIMINARY COMMENTS ON
RESEARCH GRANT APPLICATIONS

"Please use the following guide to prepare written comments on research grant applications assigned to you. Use of these guidelines should assure coverage of all aspects essential for careful substantiation of the recommendations made by the Study Section and for the preparation of the final summary statement by the Executive Secretary.

"DESCRIPTION: Prepare a concise description of the proposal, including aims and procedures as each is appropriate to a clear description of the project proposed. Include a description of the background, if appropriate, such as in the case of renewal, deferred, revised or amended applications.

"CRITIQUE: Discuss the strengths and weaknesses of various aspects of the proposal. (Are the aims logical? Is the approach valid and adequate? Are the procedures feasible? Will the research produce new data and concepts or confirm existing hypotheses? What is the significance and pertinence of the proposed study with regard to the state of the field and importance of the aims?) Provide specific examples for these questions to document your evaluation. For continuation and supplemental requests, comment on past progress.

"INVESTIGATORS: Discuss the competence and background of the investigators, including any special attributes of the personnel who would be associated with the project.

"RESOURCES AND ENVIRONMENT: Discuss special aspects of the facilities, equipment, and extent of departmental and interdepartmental cooperation. Comments on the availability of such resources as special animal species, tissue preparations, and clinical case material should be included when appropriate.

"BUDGET: Is the budget realistic in terms of the aims and methodology? Are all items justified on the basis of the approach, procedures and analysis of data proposed? Itemize and provide specific reasons for any reductions you suggest in time or amount. For supplementary requests, comment on the requested budget in relation to the approved parent budget.

"OTHER POSSIBLE CONSIDERATIONS OR HEADINGS

"Ethical Considerations: Explain the risks or concerns involved when appropriate. How would the welfare of the subjects be protected?

"Hazardous Procedure: When an application involves potentially hazardous materials, comment on potential or actual problems and how the investigator would provide protection.

"REVIEWER'S RECOMMENDATION: Summarize your recommendation in terms of the final action that the Study Section should consider."

conducted in a closed session, attended only by the categories of personnel listed above. Each of the applications is considered individually, the Chairman or Chairwoman calling first on the assigned reviewers to present their comments. Then there is discussion, with suggestions, questions, criticisms, and other pertinent material from all Study Section members, on the bases of *1*) the assigned reviewers' recommendations, and *2*) all members' preliminary evaluations. If there is essential agreement between the assigned reviewers, and if no serious objections are voiced by other Study Section members, a decision may be reached in a relatively short time. However, there is no time limit on debate, and discussions continue as long as is necessary to reach a consensus.

During discussion of each application, there is continuing concern for the avoidance of any conflict-of-interest. Thus, when an application is considered from an institution with which one of the Study Section members has current affiliations, that member is required to absent him- or herself for the relevant portion of the discussion and voting, and to sign an affidavit for the record stating that this was done. In the case of multicampus institutions, the term "own institution" includes all the campuses, so that a member may not be present during the review of an application from any component of his or her institution's system. In addition, a member leaves the meeting during consideration and voting on an application if, for any reason, a potential conflict of interest is identified.

The general standards used by the Study Section in arriving at their final recommendation are based, for each application, on the criterions listed above. There is a formal vote, with motion and second, by show-of-hands; the majority prevails. The three options open to the review group are recommendations for: a) Approval, if the application meets the Study Section's criterions for scientific merit; b) Disapproval, if it is found to lack such merit; or c) Deferral, if more information is required for a valid decision to be reached.

The Study Section's recommendation is to be based only on the criterions for scientific merit.

If the Study Section's recommendation is for approval of the application, it also recommends a budget and the duration of support.

Priority scores

Each participating Study Section member is required to assign privately a written priority rating on each approved application, based on an assessment of the scientific merit of the proposal and taking into account all the criterions listed above, in relation to the discussion that has taken place. This is done immediately after the vote for approval, and is based on a scale of 1.0 to 5.0, using 0.5 intervals only; 1.0 represents the member's evaluation of the application as most meritorious, while 5.0 is the designation for least meritorious. After the meeting, the Study Section staff averages the individual ratings, multiplying by 100 to provide three-digit ratings; this information is entered into the computer system of the Division of Research grants (DRG).

The priority score plays a significant role in determining whether or not an award will be made. For many years, "raw" priority scores, computed by the process just described, were used at NIH as the basis for making award decisions, but questions eventually arose concerning the validity of this procedure. It had been observed, for example, that different Study Sections used priority scores in differing ways. In recent years, to correct for these differences, the "raw" priority scores have been con-

verted to "normalized" standard scores, by a standard technique long used in educational and psychological statistics.

Reports on Study Section meetings: "pink sheets"

There are two principal types of reports prepared by Study Section Executive Secretaries to document all pertinent details of meetings. The first of these is a "Summary of Meeting," which is required by the Federal Advisory Committee Act and DHEW committee management regulations. The second is the Summary Statement ("pink sheet," so called because it is generally duplicated onto paper of that color). It summarizes succinctly the bases for the reviewers' recommendation, and gives the Study Section's final recommendation. Such a report is prepared by the Executive Secretary for each application reviewed, except those deferred for later Study Section action. Items covered in the Summary Statement usually include such headings as "Resumé," "Description," "Critique," "Investigators," "Resources," and "Budget." In the résumé is included a brief summary description of the proposed research and a statement of the essential reason(s) for the final recommendation. In addition, there may also be "Executive Secretary's Notes," calling attention, for example, to hazardous procedures or other special features. If a project site visit was involved in the review, this fact is noted also.

In the event that a split vote is involved in the recommendation, this is indicated. A separate minority critique must be provided if two or more Study Section members voted against the majority recommendation.

The Summary Statement ideally contains no clue whatever to link a given statement in it with any specific Study Section member(s). The decision has been a group one, and this should be implicit in the abstract describing the decision-making process.

A partial listing of their myriad uses gives some indication of the great ubiquity of these documents: *1*) Council members are given copies as an important source of information about the application and the Study Section's recommendation. *2*) BID staff members use the Summary Statements as a basis for the allocation of funds, and to provide information for applicants. *3*) The Statements provide background data for reviewers who are examining revised, supplemental, or renewal applications. *4*) NIH staff use Summary Statements in evaluating the productivity of research projects.

Originally, the Summary Statements were intended almost exclusively for Council use in reviewing Study Section recommendations, but in addition to the distributions listed above, which came later, there has recently been a growing move towards furnishing copies of the Statements to applicant investigators upon request, under the provisions of the Privacy Act. These are verbatim copies, rather than the paraphrased comments earlier furnished.

Project site visits

If the Study Section's recommendation is for deferral, this usually is because further information is needed. Sometimes such data may be obtained by correspondence, but under other circumstances, a first-hand view may be required, in the form of a project site visit. Site visits may also take place before the Study Section reviews the application for the first time.

The Study Section's Executive Secretary selects the members of the project site visit (PSV) team, accompanies them, and in general coordinates the proceedings. Typically, two or more Study Section members, sometimes with outside ad hoc experts as well, constitute the team. For large or complex applications, there is a larger number of site visitors, sufficient to cover the several substantive aspects of the program, and a BID representative and/or grants management expert may also attend. The site visitors have an opportunity to fill in informational gaps, allay doubts in any of a number of areas, and in general satisfy themselves concerning the feasibility of the project with that particular Principal Investigator, in that particular setting. See the paper by Merritt and Eaves (1975) for a discussion of project site visits.

The site visitors prepare a written report of their findings, for presentation to the Study Section at the meeting when the deferred application is reconsidered. The report includes such material as the resources and facilities available for the project, the scientific merit of the proposal, details of any collaborative arrangements, progress made to date, and, sometimes, the commitment and support of the department and the applicant institution to the project and its personnel.

"Privileged communication": the Study Section's responsibilities

The confidential nature of Study Section proceedings and materials has traditionally been given great emphasis by NIH. Study Section members are instructed that applications and supporting documents are confidential and privileged information, and are under no circumstances to be shown to others, deposited in libraries, or otherwise revealed.

Similarly, Initial Review Group members are admonished that they are not to advise *anyone* of Study Section recommendations. The second component of dual review concurs with Study Section recommendations in a high percentage of cases, but there are occasional reversals and it is not difficult to visualize the damage that might be done if an applicant investigator were prematurely informed of an affirmative Study Section recommendation later rescinded by Council action.

An ensuing section, "Implications for peer review of certain recent legislation," examines some developments which probably will have profound effects on the areas just discussed; this discussion will be published in the next issue of *Federation Proceedings*.

Appeal of a Study Section's recommendation

It has been mentioned above that applicant investigators may request information contained in the Summary Statement documenting the Study Section's evaluations of their applications. If the Summary Statement contains evidence that the applicant investigator considers indicative of deficiencies, or errors, or misunderstandings in the review group's assessment of the application, he or she may submit an amended or revised application for re-review.

If, for example, the Summary Statement concluded that the original proposal had not demonstrated suf-

tient grounds for reasonable expectation that useful data would be attainable, and if the applicant investigator actually can document the rationale with preliminary findings not mentioned in the application, or with other information, these data can and should be presented in the form of an amended proposal. Such a revised application should show clearly exactly how it differs from, and improves upon, the original version. Another example: an applicant investigator may perceive that outright errors have been made in the evaluation of his/her proposed work (the reviewers may have overlooked information or misinterpreted it, for instance). In such cases, the revised application should address these areas of contention and the investigator's reasons for believing that the original review had been inadequate.

Thus, there are two important aspects to submitting an application for re-review: 1) there should be addition of new information, or corrections(s), or other changes to reply to the deficiencies pointed out in the Summary Statement; and 2) a covering statement should document fully the changes and improvements that have been made. If the existence and extent of the revisions and amendments are not thus made apparent, the resubmitted application might be rejected by the Division of Research Grants for a second review, on the grounds that no substantive changes had been effected and there was therefore no reason for a second review. It might be presumed that an informed Executive Secretary, upon receiving a revised application, could readily detect changes the applicant has made, and indeed this is often so. However, it is appropriate to remind applicants that the workload of the review groups and their executive secretaries has become and continues to be excessively great. With the best intentions in the world, it is therefore difficult for the Executive Secretary to scrutinize each revised application with the care and detail necessary to assure that appropriate changes have been made. Thus, it is incumbent upon the applicant investigator to make the necessary changes, and to document them with clarity and specificity.

If the applicant investigator has reasons for believing that the Study Section that conducted the first review was prejudiced, or lacked the necessary expertise, or was otherwise unsatisfactory, he or she may request that the revised application be reviewed by another Initial Review Group. Suggestions for RID assignment may also be made. These requests should be in a written statement accompanying the resubmitted application. This mechanism has already been noted for the original assignment and referral process.

The second review of an amended application may result in an improved priority score and, consequently, a better chance for achieving funding. The thoroughness and validity of amendment, and the clarity of documentation of the changes are the decisive factors here. But there is no guarantee that the revised application will receive a more favorable priority score.

Study Section membership and administration

It can readily be seen from the foregoing description of initial review processes that there are two areas of critical importance: the Study Section itself, and its Executive Secretary (who administers the routine activities of the review group, who nominates its members and chairman or chairwoman, and who prepares the Summary Statements that document Study Section recommendations for subsequent action by Council). It is appropriate to digress here briefly to consider both these personae.

Selection of Study Section members

All members of Study Sections are nominated by the Executive Secretary. Usually nominations are made after consultation with a variety of knowledgeable people and Executive Secretaries are expected to secure the widest possible variety of suggestions.

In this selection process, an attempt is made to meet several criterions:

a) The first essential is genuine, unquestioned expertise in the field.

b) An attempt is made to achieve a balance in the disciplines represented on the Study Section, in as much accord as possible with current trends in the subject matter of grant applications being received at the time. Consideration must also be given to the areas in which coverage is to be provided as outgoing members complete their terms of service. (Indeed, all the criterions listed here must be considered in relation to the long-range geographic, ethnic, and sexual makeup of the Study Section, in terms of impending terminations of service by members.)

c) Nominees must be currently active in research: past accomplishments, unbolstered by up-to-date clinical and/or laboratory bench work, are not sufficient.

d) There is a commitment to search for qualified women, minorities, and young investigators.

e) Geographical distribution of members from all parts of the country is sought. Furthermore, no two members from the same institution may serve simultaneously on a Study Section (although in the case of multi-campus universities, this rule is waived, to the extent that each campus is considered a separate institution).

The final *selection* of prospective Study Section appointees is thus the province of the Executive Secretary, but such nominations are reviewed and approved at several higher administrative levels before actual invitations to serve are issued. Details of this confirmation procedure require 6–8 weeks.[1]

Members of Study Sections serve staggered terms, so that there is a regular turnover in their composition. The term for each new member is for no more than 4 years, and it usually begins on July 1. If vacancies are filled at other times, their terms may begin at any time during the year, but all terminate on June 30 of the appropriate year.

It is against NIH policy for a Study Section member to be reappointed to the same review group except under such special circumstances as *a*) the need for review capability in a specialized area in which other expertise is not available, or *b*) service as chairman or chairwoman of the Study Sec-

[1] Each year, the current memberships of Study Sections, Councils and other advisory groups for NIH appear in the publication "NIH Public Advisory Groups: Authority, Structure, Functions, Members," and are thus a matter of public record. Copies of this compilation are obtainable from: Committee Management Office, National Institutes of Health, Bldg. 1, Room 305, Bethesda, Md. 20014.

tion, where previous experience would be a valuable asset. Appointment of a former Study Section member to a different Study Section may occasionally be permitted, although it is not encouraged, and such appointments require special justification.

The Executive Secretary

The professional Health Scientist Administrators at NIH who act as Study Section Executive Secretaries come from quite diverse backgrounds. This is, to some extent at least, the result of a calculated effort on the part of the Associate Director for Scientific Review, DRG, who selects them. Nearly all hold earned doctorates and the few who do not have compensatory professional experience. They come to NIH via a variety of routes, from academic backgrounds of various sorts. In naming Executive Secretaries a number of positive personal qualities are sought. These include the ability to get along with people, an outgoing personality, and strongly marked qualities of initiative and judgment. Executive Secretaries are encouraged to keep abreast of developments in the research area of their special competence.

REFERENCE

1. **Merton, R. H., and G. W. Eaves.** *Federation Proc.* 34: 131–136, 1975.

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Special Article

Peer review of research grant applications at the National Institutes of Health 3: review by an advisory board/council[1]

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The second component of the dual system of peer review has an advisory board, usually designated as a council, with broad functions and duties. The latter include formulation of recommendations which usually, but not always, concur with the Initial Review Group (IRG) recommendations. It is important to note that formal Council recommendations are required by law before awards of grants can be made. Historically, the existence of the Council phase of peer review antedates that of Initial Review Groups. Councils are thus "senior" to Study Sections, both functionally and chronologically.

Transition of an application from Study Section to Council[2]

Participation of Bureaus, Institutes and Divisions (BID) program staff (see below) in the processing of a grant application begins soon after the application has gone through the assignment and referral process already described. At this early stage, such BID staff activities are almost entirely observational, in preparation for later assumption of full responsibility for an approved application. Each new application is assigned to a professional Health Scientist Administrator. This person examines it in terms of the relevant BID program and will be responsible for its administration if it is approved and funded. The staff administrator attends the Study Section meeting at which the application is considered and listens to the review discussion, anticipating a possible need to explain, perhaps defend and elucidate the recommendations to Council members. But there is no active participation in the review and evaluation process by the program staff member during these proceedings, because there is a marked effort to separate review from administrative program functions.

During the application's progress towards and through Study Section review, the Executive Secretary has kept the BID program representative informed concerning all developments, by providing copies of correspondence, project site visit reports, and other information. When the Study Section's review has been completed and the Summary Statement has been prepared, all working papers and other information pertaining to the application are transferred to the BID, as custodians of the permanent official file. Unless Council fails to concur with the Study Section's recommendation, the Executive Secretary's direct responsibilities for the proposal end after the Summary Statement has been prepared and forwarded to the BID. The Executive Secretary does, however, attend the Council meeting (see below).

The BID program staff now takes over an active role in the administration of the grant application, and assumes all subsequent duties, including correspondence with the applicant from this point on. (See "BID roles in funding and management of grants" below.)

Pre-Council preparations

Approximately 2 weeks to a month before the scheduled date of the Council's meeting, Council books are prepared and mailed out to each member. These books include, among other items, Summary Statements from the reviewing Study Sections, organized by program area or sometimes by IRG. Among the applications are those designated for "Special Consideration," which include those submitted by foreign institutions, those of high and low program relevance to the BID, requests for unusually large sums, and proposals representing promising new areas of research, or new approaches to extant areas. Applications that have been approved by a split vote of the Study Section are also placed in this category, as are those applications involving research procedures which could be considered hazardous, or those where ethical considerations are a factor. The remaining applications are usually considered by "en bloc" action. This refers to the voting procedure that will be used by the

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[1] This paper is adapted from a document prepared for the Grants Peer Review Study Team, National Institutes of Health. Parts 1 and 2 appeared in the July and August issues of *Federation Proceedings*, respectively.

Abbreviations: DRG, Division of Research Grants; IRG, Initial Review Group; BID, Bureaus, Institutes and Divisions.

[2] Exact procedures here vary considerably from one BID to another. The account is based on the general [illegible] followed.

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Council for applications about which no questions have been raised. These are all acted upon as a group, not individually.

Council meeting

Each Council meets a minimum of three times per year, usually 6–8 weeks after the Study Section meetings. The exact dates are published in the *Federal Register*, well in advance of the meeting.

In theory, the Secretary, DHEW, presides at meetings of all Councils, but in practice, his designee (usually the BID's Director) is in the chair for all or part of the meeting. When the Council requires further elaboration on some aspect of an application, members may call upon the Executive Secretary of the Study Section or upon BID program staff members to provide additional information and documentation concerning the review group's reasons for arriving at its recommendation.

There are set procedures in Council review, as in IRG deliberations, intended to avoid conflict of interest. For example, Summary Statements concerning applications from a Council member's home institution are not included in her/his book, so that even in en banc consideration, the member's judgment is not affected by such considerations. Other procedures to avoid conflict of interest are as already described for IRG review.

The Councils examine the applications (and the Study Section recommendations) from a somewhat different point of view than that of the Initial Review Group. They are concerned not solely with scientific merit but also with a number of policy matters. It is their responsibility, for example, to assure that the stated missions both of the NIH and of the BID are met. They consider the proposed work in relation to nationwide patterns of investigation, and to areas where there is a need for the initiation and development of research. Councils are likewise required to consider Study Section recommendations carefully so as to establish that these have been reached with adequate documentation.

Council action concurs with that of Initial Review Groups very frequently, but they do sometimes differ, especially in matters of policy. If the Council questions the validity of a Study Section's recommendation on scientific merit, the application in question is referred back to the Division of Research Grants (DRG) for another review, by the same or another Study Section. Occasionally the BID staff may recommend to Council that the action of an Initial Review Group be changed; this might involve projects that received a split vote or, again, those involving a policy or program of special interest to the BID. On a split vote, the Council may accept the minority recommendation.

Selection of Council members

Each Council's membership, composition, and mode of appointment are set forth in its charter. In most cases, there are 12 or more members, including both scientists and nonscientists. The professional scientists are chosen for their leadership in a discipline allied to the BID's mission. They are expected to have wide-ranging interests in their field, and an understanding of the relationship of that field to broad issues, including societal needs. In addition to their past accomplishments in research, professional members of Councils are expected to have qualities of judgment, balanced perspective, and objectivity. Usually they will have had considerable experience on review and other types of committees, whether for NIH or other organizations, and will have shown their capabilities for working effectively with such groups.

For most Councils there is a designated proportion of nonscientific members. These are lay representatives of the public, and have a demonstrated interest in, and commitment to, areas relevant to the mission of the BID. Often this has been manifested by their service in working with one of the many disease-oriented philanthropic organizations. Like the professional members, they are expected to have an understanding of the needs of society in the particular areas of special interest to the BID.

Two candidates are usually nominated for each vacancy on a Council, with one being designated primary and the other alternate. Vacancies among professional scientists of a Council are usually filled within a specific discipline. In most BIDs, these nominations are made by the BID Director, usually with the advice of senior colleagues and often with widespread staff input and suggestions. The names of primary and alternate nominees are submitted to the Office of the Secretary, DHEW, who makes the final decision concerning appointment.

BID ROLES IN FUNDING AND MANAGEMENT OF GRANTS

Under some interpretations, the BIDs' functions of planning, funding, and management are not part of the peer review system, which may be seen to end with Council action on a research grant application. Since these functions are so important, however, they will be described briefly.

BID organization

Usually there are at least two principal subdivisions within each BID, concerned respectively with intramural and extramural research.[1] The latter is the one of interest to us here; it involves support of "outside" research funded by grants. Typically, the research areas of particular relevance to a given BID are organized into subject groupings referred to as programs, each of which is headed by a program director. This person is a senior-level professional scientist–administrator, usually with special expertise in the subject matter of the program.

Funding

The most essential aspect of funding is obviously the availability of the necessary money, and this in turn is contingent upon Congressional appropriation, in response to the individual BID's budget request.

In practice, the BID's financial resources for allocation to grants are divided into three portions, one for distribution in each of the three annual review cycles. After the funds necessary to provide for ongoing

[1] Notable exceptions to this are the Division of Research Resources and the National Institute of General Medical Sciences, both of which have no intramural programs, only extramural.

BID obligations are deducted (continuation projects, for example, which have been promised support for a specified number of years); the BID staff has some idea of the level of money available for new grants. Approved applications are then arranged in an order of decreasing priority; those projects having the greatest relevance to BID objectives are listed without special reference to their priority scores. The amount of money recommended for each application is likewise listed.

The rank of any given application in this hierarchy may not be absolutely dependent on its priority score, because the Council and BID staff have the obligation to consider each proposal in terms of the BID's program aims. If, for example, an approved application had a borderline score from the Study Section but was concerned with a research area of special interest to the awarding BID, it might well be recommended for payment. In general, the procedure is for the BID staff to go down the final list, after such readjustments, making an award for each grant in turn until the available money has been exhausted.

Grant administration

The effective administration of funded research grant programs by BIDs requires the active participation of staff trained and experienced in a variety of disciplines allied to the fiscal and other nonscientific aspects of the grant. The personnel specializing in this field are characterized as grants management staff, and they are usually supervised by a grants officer, who is the opposite number of the program director. The two must work in close cooperation, and the lines defining their respective areas of responsibility are sometimes so close together as to have the appearance of merging.

The grants officer is responsible for interpreting and carrying out grants management policies and procedures, and as a part of this function, she or he often attends Initial Review Group and Council meetings, to assist these bodies in such interpretations. Grants administration is monitored on a continuing basis, to ensure that all required actions are performed "in a timely manner" by grantee and BID. In addition, the grants officer serves as a mandatory control point for all official communications and contacts with the grantee which commit the BID to changes in the amount of the grant, or the grant budget, or any terms and conditions of the grant.

In a relationship comparable to that of the grants officer and program director, the grants management staff works in close day-to-day cooperation with the Health Scientist Administrators, whose preaward duties have already been mentioned. In the administration of awarded grants, these health professionals are responsible for all communications with the applicant investigator that involve scientific aspects of the work being done. Each is assigned a varying number of funded grants within his or her program, and a good deal of time is spent in replying to written and telephoned inquiries from principal investigators of these projects.

IMPLICATIONS FOR PEER REVIEW OF CERTAIN RECENT LEGISLATION

Traditionally, the peer review system has operated under guidelines that kept confidential certain aspects of the review process, as noted above. Specifically, the protected areas included: 1) the grant application itself; 2) the identity of the in-depth reviewers; 3) the written evaluations of these in-depth reviewers; 4) the oral discussion of applications at the meeting of the review group; 5) the IRG's recommendation concerning approval, disapproval, or deferral of an application (until this recommendation has been acted upon by Council); 6) (until recently) the Summary Statement documenting that recommendation; 7) assigned priority scores; 8) project site visit reports; and 9) Council deliberations in evaluating Initial Review Group recommendations. With so many areas of the review process being held in the broad realm of "privileged communication," it is apparent that confidentiality was an important aspect.

There have been four pieces of legislation in recent years that have important implications for this feature of peer review. The Federal Advisory Committee Act of 1972 (Public Law 92-463), the Freedom of Information Act (as amended in 1974 by Public Law 93-502), the Privacy Act of 1974 (Public Law 93-579), and the Government in the Sunshine Act of 1976 (Public Law 94-409). Among a number of other provisions, these laws have some that directly pertain to peer review and to the concept of "privileged communication" already alluded to. Many misgivings have been expressed about these implications, including concerns about the quality of review that would be obtainable if reviewers' identities were to be made known, and/or if review group meetings were to be open to the public.

The potential impact of these four Acts on the peer review system, and (perhaps even more importantly) the complicated interactions between and among them, are enormous and still poorly understood. This entire area of peer review will probably see marked changes in the future, but the nature of these changes, and their impact, are still unclear.

SUMMARY

The steps involved in the Division of Research Grants (DRG) review process (used as an example) of a grant application are summarized in the following outline:

I) The incoming application arrives at the DRG Mail Room, which sends it to the Referral Branch.

II) Referral Branch uses working copies of application supplied by applicant investigator and:

A) Acknowledges receipt of application, files original copy of application for subsequent duplication.

B) Logs application in; sets up a working file.

C) Checks application for essential signatures, etc.

D) Checks NIH data bank for:

1) Past or concurrent grant applications from the applicant.

2) Conflict of interest problems related to review.

E) Allocates identification codes.

F) Assigns application to appropriate Study Section (for initial review for scientific merit) and to a Bureau/Institute/Division (BID) for subsequent award (if the application is approved).

G) Sends original copy of applica-

tion to Print Shop for duplication; distributes copies

III) Detail review for scientific merit

A) Study Section (an Initial Review Group), administered by an Executive Secretary

1) Working file set up

2) In-depth review assigned to two or more reviewers

3) Copies of each application sent to all Study Section members for examination

4) Study Section consideration:

a) Individual review of each application:

1) Each assigned reviewer presents oral report of his/her comments

2) General discussion by Study Section members

3) Avoidance of conflict of interest in review

b) Action:

1) Formal motion, and second, on recommended action

2) Vote by show-of-hands, with three possible alternatives, all on basis of scientific merit only:

a) Approval, with assignment of priority score required of each member

b) Disapproval (no priority score assigned)

c) Deferral, if additional information is needed; often with project site visit recommended (no priority score assignment)

5) Summary Statement ("pink sheet") with priority scores ("raw" and "normalized") prepared by Executive Secretary, to document Study Section action on each application. These forwarded to BID, together with all other records concerning the application.

B) Council review for program relevance and adequacy of initial review; favorable recommendation by Council legally necessary before an award can be made. Each BID has a Council (or equivalent).

1) BID sets up the official file for prospective incoming applications after referral

2) Staff program administrator assigned within each BID to each application, to:

a) Check application for BID-related interests and potential problems (especially with regard to policies)

b) Attend Study Section meeting when application is considered

c) Answer Council's questions about applications and (in collaboration with Executive Secretary who also attends) document Study Section's recommendation

d) Notify applicant of recommendation

e) Administer approved and funded grants

3) Summary Statements sent to each Council member before meeting

4) Council consideration takes into account matters of policy, ethics, relevance, etc., as well as scientific merit

IV) BID awards for Council-approved applications are dependent on:

A) Scientific merit of the application

B) Staff and Council assessment of the project's relevance to the BID's stated program goals

C) The amount of money available.

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Adolescent Family Life

SEC. 955. (a) The Public Health Service Act is amended by adding at the end thereof the following new title:

"TITLE XX—ADOLESCENT FAMILY LIFE DEMONSTRATION PROJECTS

"FINDINGS AND PURPOSES

"SEC. 2001. (a) The Congress finds that—

"(1) in 1978, an estimated one million one hundred thousand teenagers became pregnant, more than five hundred thousand teenagers carried their babies to term, and over one-half of the babies born to such teenagers were born out of wedlock;

"(2) adolescents aged seventeen and younger accounted for more than one-half of the out of wedlock births to teenagers;

"(3) in a high proportion of cases, the pregnant adolescent is herself the product of an unmarried parenthood during adolescence and is continuing the pattern in her own lifestyle;

"(4) it is estimated that approximately 80 per centum of unmarried teenagers who carry their pregnancies to term live with their families before and during their pregnancy and remain with their families after the birth of the child;

"(5) pregnancy and childbirth among unmarried adolescents, particularly young adolescents, often results in severe adverse health, social, and economic consequences, including: a higher percentage of pregnancy and childbirth complications; a higher incidence of low birth weight babies; a higher frequency of developmental disabilities; higher infant mortality and morbidity; a decreased likelihood of completing schooling; a greater likelihood that an adolescent marriage will end in divorce; and higher risks of unemployment and welfare dependency;

"(6)(A) adoption is a positive option for unmarried pregnant adolescents who are unwilling or unable to care for their children since adoption is a means of providing permanent families for such children from available approved couples who are unable or have difficulty in conceiving or carrying children of their own to term; and

"(B) at present, only a few numbers of unmarried pregnant adolescents who carry their babies to term enter into an adoption plan or arrange for their babies to be cared for by relatives or friends.

"(7) an unmarried adolescent who becomes pregnant once is likely to experience recurrent pregnancies and childbearing, with increased risks.

"(8)(A) the problems of adolescent premarital sexual relations, pregnancy, and parenthood are multiple and complex and are frequently associated with or are a cause of other troublesome situations in the family; and

"(B) such problems are best approached through a variety of integrated and essential services provided to adolescents and their families by other family members, religious and charitable organizations, voluntary associations, and other groups in the private sector as well as services provided by publicly sponsored initiatives;

"(9) a wide array of educational, health, and supportive services are not available to adolescents with such problems or to their families, or when available frequently are fragmented and thus are of limited effectiveness in discouraging adolescent premarital sexual relations and the consequences of such relations;

"(10)(A) prevention of adolescent sexual activity and adolescent pregnancy depends primarily upon developing strong family values and close family ties, and since the family is the basic social unit in which the values and attitudes of adolescents concerning sexuality and pregnancy are formed, programs designed to deal with issues of sexuality and pregnancy will be successful to the extent that such programs encourage and sustain the role of the family in dealing with adolescent sexual activity and adolescent pregnancy;

"(B) Federal policy therefore should encourage the development of appropriate health, educational, and social services where such services are now lacking or inadequate, and the better coordination of existing services where they are available; and

"(C) services encouraged by the Federal Government should promote the involvement of parents with their adolescent children, and should emphasize the provision of support by other family members, religious and charitable organizations, voluntary associations, and other groups in the private sector in order to help adolescents and their families deal with complex issues of adolescent premarital sexual relations and the consequences of such relations; and

"(11)(A) there has been limited research concerning the societal causes and consequences of adolescent pregnancy;

"(B) there is limited knowledge concerning which means of intervention are effective in mediating or eliminating adolescent premarital sexual relations and adolescent pregnancy; and

"(C) it is necessary to expand and strengthen such knowledge in order to develop an array of approaches to solving the problems of adolescent premarital sexual relations and adolescent pregnancy in both urban and rural settings.

"(b) Therefore, the purposes of this title are—

"(1) to find effective means, within the context of the family, of reaching adolescents before they become sexually active in order to maximize the guidance and support available to adolescents from parents and other family members, and to promote self discipline and other prudent approaches to the problem of adolescent premarital sexual relations, including adolescent pregnancy;

"(2) to promote adoption as an alternative for adolescent parents;

"(3) to establish innovative, comprehensive, and integrated approaches to the delivery of care services for pregnant adolescents, with primary emphasis on unmarried adolescents who are seventeen years of age or under, and for adolescent parents, which shall be based upon an assessment of existing programs and, where appropriate, upon efforts to establish better coordination, integration, and linkages among such existing programs in order to—

"(A) enable pregnant adolescents to obtain proper care and assist pregnant adolescents and adolescent parents to become productive independent contributors to family and community life; and

"(B) assist families of adolescents to understand and resolve the societal causes which are associated with adolescent pregnancy;

"(4) to encourage and support research projects and demonstration projects concerning the societal causes and consequences of adolescent premarital sexual relations, contraceptive use, pregnancy, and child rearing;

"(5) to support evaluative research to identify effective services which alleviate, eliminate, or resolve any negative consequences of adolescent premarital sexual relations and adolescent childbearing for the parents, the child, and their families; and

"(6) to encourage and provide for the dissemination of results, findings, and information from programs and research projects relating to adolescent premarital sexual relations, pregnancy, and parenthood.

"DEFINITIONS

"SEC. 2002. (a) For the purposes of this title, the term—

"(1) 'Secretary' means the Secretary of Health and Human Services;

"(2) 'eligible person' means—

"(A) with regard to the provision of care services, a pregnant adolescent, an adolescent parent, or the family of a pregnant adolescent or an adolescent parent; or

"(B) with regard to the provision of prevention services and referral to such other services which may be appropriate, a nonpregnant adolescent;

"(3) 'eligible grant recipient' means a public or nonprofit private organization or agency which demonstrates, to the satisfaction of the Secretary—

"(A) in the case of an organization which will provide care services, the capability of providing all core services in

a single setting or the capability of creating a network through which all core services would be provided; or

"(B) in the case of an organization which will provide prevention services, the capability of providing such services;

"(4) 'necessary services' means services which may be provided by grantees which are—

"(A) pregnancy testing and maternity counseling;

"(B) adoption counseling and referral services which present adoption as an option for pregnant adolescents, including referral to licensed adoption agencies in the community if the eligible grant recipient is not a licensed adoption agency;

"(C) primary and preventive health services including prenatal and postnatal care;

"(D) nutrition information and counseling;

"(E) referral for screening and treatment of venereal disease;

"(F) referral to appropriate pediatric care;

"(G) educational services relating to family life and problems associated with adolescent premarital sexual relations, including—

"(i) information about adoption;

"(ii) education on the responsibilities of sexuality and parenting;

"(iii) the development of material to support the role of parents as the provider of sex education; and

"(iv) assistance to parents, schools, youth agencies, and health providers to educate adolescents and preadolescents concerning self-discipline and responsibility in human sexuality;

"(H) appropriate educational and vocational services and referral to such services;

"(I) referral to licensed residential care or maternity home services; and

"(J) mental health services and referral to mental health services and to other appropriate physical health services;

"(K) child care sufficient to enable the adolescent parent to continue education or to enter into employment;

"(L) consumer education and homemaking;

"(M) counseling for the immediate and extended family members of the eligible person;

"(N) transportation;

"(O) outreach services to families of adolescents to discourage sexual relations among unemancipated minors;

"(P) family planning services; and

"(Q) such other services consistent with the purposes of this title as the Secretary may approve in accordance with regulations promulgated by the Secretary;

"(5) 'core services' means those services which shall be provided by a grantee, as determined by the Secretary by regulation;

"(6) 'supplemental services' means those services which may be provided by a grantee, as determined by the Secretary by regulation;

"(7) 'care services' means necessary services for the provision of care to pregnant adolescents and adolescent parents and includes all core services with respect to the provision of such care prescribed by the Secretary by regulation;

"(8) 'prevention services' means necessary services to prevent adolescent sexual relations, including the services described in subparagraphs (A), (D), (E), (G), (H), (M), (N), (O), and (Q) of paragraph (4);

"(9) 'adolescent' means an individual under the age of nineteen; and

"(10) 'unemancipated minor' means a minor who is subject to the control, authority, and supervision of his or her parents or guardians, as determined under State law.

"(b) Until such time as the Secretary promulgates regulations pursuant to the second sentence of this subsection, the Secretary shall use the regulations promulgated under title VI of the Health Services and Centers Amendments of 1978 which were in effect on the date of enactment of this title, to determine which necessary services are core services for purposes of this title. The Secretary may promulgate regulations to determine which necessary services are core services for purposes of this title based upon an evaluation of and information concerning which necessary services are essential to carry out the purposes of this title and taking into account (1) factors such as whether services are to be provided in urban or rural areas, the ethnic groups to be served, and the nature of the populations to be served, and (2) the results of the evaluations required under section 2006(b). The Secretary may from time to time revise such regulations.

"AUTHORITY TO MAKE GRANTS FOR DEMONSTRATION PROJECTS

"SEC. 2003. (a) The Secretary may make grants to further the purposes of this title to eligible grant recipients which have submitted an application which the Secretary finds meets the requirements of section 2006 for demonstration projects which the Secretary determines will help communities provide appropriate care and prevention services in easily accessible locations. Demonstration projects shall, as appropriate, provide, supplement, or improve the quality of such services. Demonstration projects shall use such methods as will strengthen the capacity of families to deal with the sexual behavior, pregnancy, or parenthood of adolescents and to make use of support systems such as other family members, friends, religious and charitable organizations, and voluntary associations.

"(b) Grants under this title for demonstration projects may be for the provision of—

"(1) care services;

"(2) prevention services; or

"(3) a combination of care services and prevention services.

"USES OF GRANTS FOR DEMONSTRATION PROJECTS FOR SERVICES

"SEC. 2004. (a) Except as provided in subsection (b), funds provided for demonstration projects for services under this title may be used by grantees only to—

"(1) provide to eligible persons—

"(A) care services;

"(B) prevention services; or

"(C) care and prevention services (in the case of a grantee who is providing a combination of care and prevention services);

"(2) coordinate, integrate, and provide linkages among providers of care, prevention, and other services for eligible persons in furtherance of the purposes of this title;

"(3) provide supplemental services where such services are not adequate or not available to eligible persons in the community and which are essential to the care of pregnant adolescents and to the prevention of adolescent premarital sexual relations and adolescent pregnancy;

"(4) plan for the administration and coordination of pregnancy prevention services and programs of care for pregnant adolescents and adolescent parents which will further the objectives of this title; and

"(5) fulfill assurances required for grant approval by section 2006.

"(b)(1) No funds provided for a demonstration project for services under this title may be used for the provision of family planning services (other than counseling and referral services) to adolescents unless appropriate family planning services are not otherwise available in the community.

"(2) Any grantee who receives funds for a demonstration project for services under this title and who, after determining under paragraph (1) that appropriate family planning services are not otherwise available in the community, provides family planning services (other than counseling and referral services) to adolescents may only use funds provided under this title for such family planning services if all funds received by such grantee from all other sources to support such family planning services are insufficient to support such family planning services.

"(c) Grantees who receive funds for a demonstration project for services under this title shall charge fees for services pursuant to a fee schedule approved by the Secretary as a part of the application described in section 2006 which bases fees charged by the grantee on the income of the eligible person or the parents or legal guardians of the eligible person and takes into account the difficulty adolescents face in obtaining resources to pay for services. A grantee who receives funds for a demonstration project for services under this title may not, in any case, discriminate with regard to the provision of services to any individual because of that individual's inability to provide payment for such services, except that in determining the ability of an unemancipated minor to provide payment for services, the income of the family of an unemancipated minor shall be considered in determining the ability of such minor to make such payments unless the parents or guardians of the unemancipated minor refuse to make such payments.

"PRIORITIES, AMOUNTS, AND DURATION OF GRANTS FOR DEMONSTRATION PROJECTS FOR SERVICES

"SEC. 2005. (a) In approving applications for grants for demonstration projects for services under this title, the Secretary shall give priority to applicants who—

"(1) serve an area where there is a high incidence of adolescent pregnancy;

"(2) serve an area with a high proportion of low-income families and where the availability of programs of care for pregnant adolescents and adolescent parents is low;

"(3) show evidence—

"(A) in the case of an applicant who will provide care services, of having the ability to bring together a wide range of needed core services and, as appropriate, supplemental services in comprehensive single-site projects, or to establish a well-integrated network of such services (appropriate for the target population and geographic area to be served including the special needs of rural areas) for pregnant adolescents or adolescent parents; or

"(B) in the case of an applicant who will provide prevention services, of having the ability to provide prevention services for adolescents and their families which are appropriate for the target population and the geographic area to be served, including the special needs of rural areas;

"(4) will utilize to the maximum extent feasible existing available programs and facilities such as neighborhood and primary health care centers, maternity homes which provide or can be equipped to provide services to pregnant adolescents, agencies serving families, youth, and children with established programs of service to pregnant adolescents and vulnerable families, licensed adoption agencies, children and youth centers, maternal and infant health centers, regional rural health facilities, school and other educational programs, mental health programs, nutrition programs, recreation programs, and other ongoing pregnancy prevention services and programs of care for pregnant adolescents and adolescent parents;

"(5) make use, to the maximum extent feasible, of other Federal, State, and local funds, programs, contributions, and other third-party reimbursements;

"(6) can demonstrate a community commitment to the program by making available to the demonstration project non-Federal funds, personnel, and facilities;

"(7) have involved the community to be served, including public and private agencies, adolescents, and families, in the planning and implementation of the demonstration project; and

"(8) will demonstrate innovative and effective approaches in addressing the problems of adolescent premarital sexual relations, pregnancy, or parenthood, including approaches to provide pregnant adolescents with adequate information about adoption.

"(b)(1) The amount of a grant for a demonstration project for services under this title shall be determined by the Secretary, based on factors such as the incidence of adolescent pregnancy in the geographic area to be served, and the adequacy of pregnancy prevention

services and programs of care for pregnant adolescents and adolescent parents in such area.

"(2) In making grants for demonstration projects for services under this title, the Secretary shall consider the special needs of rural areas and, to the maximum extent practicable, shall distribute funds taking into consideration the relative number of adolescents in such areas in need of such services.

"(c)(1) A grantee may not receive funds for a demonstration project for services under this title for a period in excess of 5 years.

"(2)(A) Subject to paragraph (3), a grant for a demonstration project for services under this title may not exceed—

"(i) 70 per centum of the costs of the project for the first and second years of the project;

"(ii) 60 per centum of such costs for the third year of the project;

"(iii) 50 per centum of such costs for the fourth year of the project; and

"(iv) 40 per centum of such costs for the fifth year of the project.

"(B) Non-Federal contributions required by subparagraph (A) may be in cash or in kind, fairly evaluated, including plant, equipment, or services.

"(3) The Secretary may waive the limitation specified in paragraph (2)(A) for any year in accordance with criteria established by regulation.

"REQUIREMENTS FOR APPLICATIONS

"SEC. 2006. (a) An application for a grant for a demonstration project for services under this title shall be in such form and contain such information as the Secretary may require, and shall include—

"(1) an identification of the incidence of adolescent pregnancy and related problems;

"(2) a description of the economic conditions and income levels in the geographic area to be served;

"(3) a description of existing pregnancy prevention services and programs of care for pregnant adolescents and adolescent parents (including adoption services), and including where, how, by whom, and to which population groups such services are provided, and the extent to which they are coordinated in the geographic area to be served;

"(4) a description of the major unmet needs for services for adolescents at risk of initial or recurrent pregnancies and an estimate of the number of adolescents not being served in the area;

"(5)(A) in the case of an applicant who will provide care services, a description of how all core services will be provided in the demonstration project using funds under this title or will otherwise be provided by the grantee in the area to be served, the population to which such services will be provided, how such services will be coordinated, integrated, and linked with other related programs and services and the source or sources of funding of such core services in the public and private sectors; or

"(B) in the case of an applicant who will provide prevention services, a description of the necessary services to be provided and how the applicant will provide such services;

"(6) a description of the manner in which adolescents needing services other than the services provided directly by the applicant will be identified and how access and appropriate referral to such other services (such as medicaid; licensed adoption agencies; maternity home services; public assistance; employment services; child care services for adolescent parents; and other city, county, and State programs related to adolescent pregnancy) will be provided, including a description of a plan to coordinate such other services with the services supported under this title;

"(7) a description of the applicant's capacity to continue services as Federal funds decrease and in the absence of Federal assistance;

"(8) a description of the results expected from the provision of services, and the procedures to be used for evaluating those results;

"(9) a summary of the views of public agencies, providers of services, and the general public in the geographic area to be served, concerning the proposed use of funds provided for a demonstration project for services under this title and a description of procedures used to obtain those views, and, in the case of applicants who propose to coordinate services administered by a State, the written comments of the appropriate State officials responsible for such services;

"(10) assurances that the applicant will have an ongoing quality assurance program;

"(11) assurances that, where appropriate, the applicant shall have a system for maintaining the confidentiality of patient records in accordance with regulations promulgated by the Secretary;

"(12) assurances that the applicant will demonstrate its financial responsibility by the use of such accounting procedures and other requirements as may be prescribed by the Secretary;

"(13) assurances that the applicant (A) has or will have a contractual or other arrangement with the agency of the State (in which the applicant provides services) that administers or supervises the administration of a State plan approved under title XIX of the Social Security Act for the payment of all or a part of the applicant's costs in providing health services to persons who are eligible for medical assistance under such a State plan, or (B) has made or will make every reasonable effort to enter into such an arrangement;

"(14) assurances that the applicant has made or will make and will continue to make every reasonable effort to collect appropriate reimbursement for its costs in providing health services to persons who are entitled to benefits under title V of the Social Security Act, to medical assistance under a State plan approved under title XIX of such Act, or to assistance for medical expenses under any other public assistance program or private health insurance program;

"(15) assurances that the applicant has or will make and will continue to make every reasonable effort to collect appropriate

reimbursement for its costs in providing services to persons entitled to services under parts B and E of title IV and title XX of the Social Security Act;

"(16)(A) a description of—

"(i) the schedule of fees to be used in the provision of services, which shall comply with section 2004(c) and which shall be designed to cover all reasonable direct and indirect costs incurred by the applicant in providing services; and

"(ii) a corresponding schedule of discounts to be applied to the payment of such fees, which shall comply with section 2004(c) and which shall be adjusted on the basis of the ability of the eligible person to pay;

"(B) assurances that the applicant has made and will continue to make every reasonable effort—

"(i) to secure from eligible persons payment for services in accordance with such schedules;

"(ii) to collect reimbursement for health or other services provided to persons who are entitled to have payment made on their behalf for such services under any Federal or other government program or private insurance program; and

"(iii) to seek such reimbursement on the basis of the full amount of fees for services without application of any discount; and

"(C) assurances that the applicant has submitted or will submit to the Secretary such reports as the Secretary may require to determine compliance with this paragraph;

"(17) assurances that the applicant will make maximum use of funds available under title X of this Act;

"(18) assurances that the acceptance by any individual of family planning services or family planning information (including educational materials) provided through financial assistance under this title shall be voluntary and shall not be a prerequisite to eligibility for or receipt of any other service furnished by the applicant;

"(19) assurances that fees collected by the applicant for services rendered in accordance with this title shall be used by the applicant to further the purposes of this title;

"(20) assurances that the applicant, if providing both prevention and care services will not exclude or discriminate against any adolescent who receives prevention services and subsequently requires care services as a pregnant adolescent;

"(21) a description of how the applicant will, as appropriate in the provision of services—

"(A) involve families of adolescents in a manner which will maximize the role of the family in the solution of problems relating to the parenthood or pregnancy of the adolescent;

"(B) involve religious and charitable organizations, voluntary associations, and other groups in the private sector as well as services provided by publicly sponsored initiatives;

"(22)(A) assurances that—

"(i) except as provided in subparagraph (B) and subject to clause (ii), the applicant will notify the parents or guardians of any unemancipated minor requesting services from

the applicant and, except as provided in subparagraph (C), will obtain the permission of such parents or guardians with respect to the provision of such services, and

"(ii) in the case of a pregnant unemancipated minor requesting services from the applicant, the applicant will notify the parents or guardians of such minor under clause (i) within a reasonable period of time;

"(B) assurances that the applicant will not notify or request the permission of the parents or guardian of any unemancipated minor without the consent of the minor—

"(i) who solely is requesting from the applicant pregnancy testing or testing or treatment for venereal disease;

"(ii) who is the victim of incest involving a parent; or

"(iii) if an adult sibling of the minor or an adult aunt, uncle, or grandparent who is related to the minor by blood certifies to the grantee that notification of the parents or guardians of such minor would result in physical injury to such minor; and

"(C) assurances that the applicant will not require, with respect to the provision of services, the permission of the parents or guardians of any pregnant unemancipated minor if such parents or guardians are attempting to compel such minor to have an abortion;

"(23) assurances that primary emphasis for services supported under this title shall be given to adolescents seventeen and under who are not able to obtain needed assistance through other means;

"(24) assurances that funds received under this title shall supplement and not supplant funds received from any other Federal, State, or local program or any private sources of funds; and

"(25) a plan for the conduct of, and assurances that the applicant will conduct, evaluations of the effectiveness of the services supported under this title in accordance with subsection (b).

"(b)(1) Each grantee which receives funds for a demonstration project for services under this title shall expend at least 1 per centum but not in excess of 5 per centum of the amounts received under this title for the conduct of evaluations of the services supported under this title. The Secretary may, for a particular grantee upon good cause shown, waive the provisions of the preceding sentence with respect to the amounts to be expended on evaluations, but may not waive the requirement that such evaluations be conducted.

"(2) Evaluations required by paragraph (1) shall be conducted by an organization or entity which is independent of the grantee providing services supported under this title. To assist in conducting the evaluations required by paragraph (1) shall develop a working relationship with a college or university located in the grantee's State which will provide or assist in providing monitoring and evaluation of services supported under this title unless no college or university in the grantee's State is willing or has the capacity to provide or assist in providing such monitoring and assistance.

"(3) The Secretary may provide technical assistance with respect to the conduct of evaluations required under this subsection to any grantee which is unable to develop a working relationship with a

college or university in the applicant's State for the reasons described in paragraph (2).

"(c) Each grantee which receives funds for a demonstration project for services under this title shall make such reports concerning its use of Federal funds as the Secretary may require. Reports shall include, at such times as are considered appropriate by the Secretary, the results of the evaluations of the services supported under this title.

"(d)(1) A grantee shall periodically notify the Secretary of the exact number of instances in which a grantee does not notify the parents or guardians of a pregnant unemancipated minor under subsection (a)(22)(B)(iii).

"(2) For purposes of subsection (a)(22)(B)(iii), the term "adult" means an adult as defined by State law.

"(e) Each applicant shall provide the Governor of the State in which the applicant is located a copy of each application submitted to the Secretary for a grant for a demonstration project for services under this title. The Governor shall submit to the applicant comments on any such application within the period of sixty days beginning on the day when the Governor receives such copy. The applicant shall include the comments of the Governor with such application.

"(f) No application submitted for a grant for a demonstration project for care services under this title may be approved unless the Secretary is satisfied that core services shall be available through the applicant within a reasonable time after such grant is received.

"COORDINATION OF FEDERAL AND STATE PROGRAMS

"SEC. 2007. (a) The Secretary shall coordinate Federal policies and programs providing services relating to the prevention of adolescent sexual relations and initial and recurrent adolescent pregnancies and providing care services for pregnant adolescents. In achieving such coordination, the Secretary shall—

"(1) require grantees who receive funds for demonstration projects for services under this title to report periodically to the Secretary concerning Federal, State, and local policies and programs that interfere with the delivery of and coordination of pregnancy prevention services and other programs of care for pregnant adolescents and adolescent parents;

"(2) provide technical assistance to facilitate coordination by State and local recipients of Federal assistance;

"(3) review all programs administered by the Department of Health and Human Services which provide prevention services or care services to determine if the policies of such programs are consistent with the policies of this title, consult with other departments and agencies of the Federal Government who administer programs that provide such services, and encourage such other departments and agencies to make recommendations, as appropriate, for legislation to modify such programs in order to facilitate the use of all Government programs which provide such services as a basis for delivery of more comprehensive prevention services and more comprehensive programs of care for pregnant adolescents and adolescent parents;

"(4) give priority in the provision of funds, where appropriate, to applicants using single or coordinated grant applications for multiple programs; and

"(5) give priority, where appropriate, to the provision of funds under Federal programs administered by the Secretary (other than the program established by this title) to projects providing comprehensive prevention services and comprehensive programs of care for pregnant adolescents and adolescent parents.

"(b) Any recipient of a grant for a demonstration project for services under this title shall coordinate its activities with any other recipient of such a grant which is located in the same locality.

"RESEARCH

"SEC. 2008. (a)(1) The Secretary may make grants and enter into contracts with public agencies or private organizations or institutions of higher education to support the research and dissemination activities described in paragraphs (4), (5), and (6) of section 2001(b).

"(2) The Secretary may make grants or enter into contracts under this section for a period of one year. A grant or contract under this section for a project may be renewed for four additional one-year periods, which need not be consecutive.

"(3) A grant or contract for any one-year period under this section may not exceed $100,000 for the direct costs of conducting research or disemination activities under this section and may include such additional amounts for the indirect costs of conducting such activities as the Secretary determines appropriate. The Secretary may waive the preceding sentence with respect to a specific project if he determines that—

"(A) exceptional circumstances warrant such waiver and that the project will have national impact; or

"(B) additional amounts are necessary for the direct costs of conducting limited demonstration projects for the provision of necessary services in order to provide data for research carried out under this title.

"(4) The amount of any grant or contract made under this section may remain available for obligation or expenditure after the close of the one-year period for which such grant or contract is made in order to assist the recipient in preparing the report required by subsection (f)(1).

"(b)(1) Funds provided for research under this section may be used for descriptive or explanatory surveys, longitudinal studies, or limited demonstration projects for services that are for the purpose of increasing knowledge and understanding of the matters described in paragraphs (4) and (5) of section 2001(b).

"(2) Funds provided under this section may not be used for the purchase or improvement of land, or the purchase, construction, or permanent improvement (other than minor remodeling) of any building or facility.

"(c) The Secretary may not make any grant or enter into any contract to support research or dissemination activities under this section unless—

"(1) the Secretary has received an application for such grant or contract which is in such form and which contains such information as the Secretary may by regulation require;

"(2) the applicant has demonstrated that the applicant is capable of conducting one or more of the types of research or dissemination activities described in paragraph (4), (5), or (6) of section 2001(b); and

"(3) in the case of an application for a research project, the panel established by subsection (e)(2) has determined that the project is of scientific merit.

"(d) The Secretary shall, where appropriate, coordinate research and dissemination activities carried out under this section with research and dissemination activities carried out by the National Institutes of Health.

"(e)(1) The Secretary shall establish a system for the review of applications for grants and contracts under this section. Such system shall be substantially similar to the system for scientific peer review of the National Institutes of Health and shall meet the requirements of paragraphs (2) and (3).

"(2) In establishing the system required by paragraph (1), the Secretary shall establish a panel to review applications under this section. Not more than 25 per centum of the members of the panel shall be physicians. The panel shall meet as often as may be necessary to facilitate the expeditious review of applications under this section, but not less than once each year. The panel shall review each project for which an application is made under this section, evaluate the scientific merit of the project, determine whether the project is of scientific merit, and make recommendations to the Secretary concerning whether the application for the project should be approved.

"(3) The Secretary shall make grants under this section from among the projects which the panel established by paragraph (2) has determined to be of scientific merit and may only approve an application for a project if the panel has made such determination with respect to such a project. The Secretary shall make a determination with respect to an application within one month after receiving the determinations and recommendations of such panel with respect to the application.

"(f)(1)(A) The recipient of a grant or contract for a research project under this section shall prepare and transmit to the Secretary a report describing the results and conclusions of such research. Except as provided in subparagraph (B), such report shall be transmitted to the Secretary not later than eighteen months after the end of the year for which funds are provided under this section. The recipient may utilize reprints of articles published or accepted for publication in professional journals to supplement or replace such report if the research contained in such articles was supported under this section during the year for which the report is required.

"(B) In the case of any research project for which assistance is provided under this section for two or more consecutive one-year periods, the recipient of such assistance shall prepare and transmit the report required by subparagraph (A) to the Secretary not later than twelve months after the end of each one-year period for which such funding is provided.

"(2) Recipients of grants and contracts for dissemination under this section shall submit to the Secretary such reports as the Secretary determines appropriate.

"(g) In carrying out functions relating to the conduct and support of research under this section, the Secretary shall not be subject to the provisions of chapter 35 of title 44, United States Code, except with respect to the collection of survey data which primarily will be used for the generation of national population estimates.

"EVALUATION AND ADMINISTRATION

"SEC. 2009. (a) Of the funds appropriated under this title, the Secretary shall reserve not less than 1 per centum and not more than 3 per centum for the evaluation of activities carried out under this title. The Secretary shall submit to the appropriate committees of the Congress a summary of each evaluation conducted under this section.

"(b) The officer or employee of the Department of Health and Human Services designated by the Secretary to carry out the provisions of this title shall report directly to the Assistant Secretary for Health with respect to the activities of such officer or employee in carrying out such provisions.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 2010. (a) For the purpose of carrying out this title, there are authorized to be appropriated $30,000,000 for the fiscal year ending September 30, 1982, $30,000,000 for the fiscal year ending September 30, 1983, and $30,000,000 for the fiscal year ending September 30, 1984.

"(b) At least two-thirds of the amounts appropriated to carry out this title shall be used to make grants for demonstration projects for services.

"(c) Not more than one-third of the amounts specified under subsection (b) for use for grants for demonstration projects for services shall be used for grants for demonstration projects for prevention services.

"RESTRICTIONS

"SEC. 2011. (a) Grants or payments may be made only to programs or projects which do not provide abortions or abortion counseling or referral, or which do not subcontract with or make any payment to any person who provides abortions or abortion counseling or referral, except that any such program or project may provide referral for abortion counseling to a pregnant adolescent if such adolescent and the parents or guardians of such adolescent request such referral; and grants may be made only to projects or programs which do not advocate, promote, or encourage abortion.

"(b) The Secretary shall ascertain whether programs or projects comply with subsection (a) and take appropriate action if programs or projects do not comply with such subsection, including withholding of funds.".

(b) Effective October 1, 1981, titles VI, VII, and VIII of the Health Services and Centers Amendments of 1978 are repealed.

DEPARTMENT OF HEALTH AND HUMAN SERVICES,
OFFICE OF HUMAN DEVELOPMENT SERVICES,
Washington, DC, March 22, 1982.

Hon. IKE F. ANDREWS,
Chairman, Subcommittee on Human Resources, Committee on Education and Labor, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: As you may know, members of my staff recently met with representatives from your staff to discuss the discretionary funds process being used in the Office of Human Development Services (OHDS). Your staff expressed concern about the ability of HDS to fully fund the program this fiscal year.

As a result of those discussions, we said we would provide additional information regarding the next steps and timeframes of the awards process. Our schedule calls for grant awards to be made beginning in June. The steps leading up to those awards are:

Receive and log in pre-applications, 1/22-2/12.

Form review panels, 2/12-3/19.

Mail concept papers to reviewers, 2/19-3/19.

Conduct panel review process (initial review), 2/19-4/20.

Second round of panel reviews where more than one panel was required initially. No more than 30 applications are being given to individual review panels. Where more than one panel is required for a particular priority area (i.e., where more than 30 pre-applications have been submitted), a second panel is necessary to determine the best pre-applications. Thus the purpose of the second panel review is to establish the overall ranking within a given priority area, 4/5-5/20.

Presentation of panel results to HDS Executive Staff, 4/5-6/30.

After pre-applications are rated by review panels using criteria in the Federal Register, the HDS Executive Staff will select those which are highly rated to submit a full formal application. These full formal applications will be administratively reviewed, and grantees will be selected from this group of formal applicants. For priority areas with fewer than 30 pre-applications requiring only one panel, we expect to make grant awards beginning in June. For priority areas with larger numbers of pre-applications requiring the two-tiered panel review, the process will result in awards beginning in July, 6/1-8/30.

As you can see by this schedule, we have every intention of making awards up to the full amount of our budget this fiscal year. There may be some minor delays in certain areas because of the large volume of concept papers HDS received and the time that it takes to process approximately 6,000 responses. However, we are currently, and expect to stay, on schedule.

I trust that this information satisfies your concerns regarding the way the discretionary funds process is being managed within HDS.

Sincerely,

DORCAS R. HARDY,
Assistant Secretary for Human Development Services.

DEPARTMENT OF HEALTH and HUMAN SERVICES,
OFFICE OF THE SECRETARY,
Washington, DC, April 13, 1983.

Mr. GORDON RALEY,
Staff Director, Committee on Education and Labor, Subcommittee on Human Resources, Rayburn House Office Building, Washington, DC.

DEAR GORDON: In accordance with our telephone conversations, enclosed is the information you requested regarding the personnel procedures in the Office of Human Development Services.

Sincerely,

THOMAS R. DONNELLY, JR.,
Assistant Secretary for Legislation.

DEPARTMENT OF HEALTH AND HUMAN SERVICES,
OFFICE OF HUMAN DEVELOPMENT SERVICES,
Washington, DC, April 2, 1982.

To: Commissioners, Staff Office Directors, Regional Administrators.
From: Dorcas R. Hardy, Assistant Secretary for Human Development Services.
Subject: Periodic Reassignment of Senior Management Employees.

As you know, we are faced with implementing a number of important initiatives and meeting our goals and objectives with fewer resources. We can only accomplish this through making maximum use of our most important resources—our staff.

To assure that our senior staff is being used to the best advantage in this post-RIF period, on February 17 I asked you to consult with me before filling any Merit Pay positions at GM-14 or GM-15. As part of my commitment to increase the efficiency and responsiveness of HDS operations, I am particularly interested in increasing the effectiveness of this group of managers.

One of my major concerns is that talented employees will become so engrossed in the details of specific programs that they will become parochial in their approach and lose sight of the agency's overall objectives. I would like to provide conditions under which greater creativity could be fostered by drawing on the imagination and problem solving skills of this group.

Therefore, I believe we should give special attention to innovative ways of filling key positions during this important period. In the short term, we will make maximum use of our resources; the long range results should greatly enhance the capability of our overall management team.

One approach to accomplish these goals is through reassignments to different positions. These reassignments could be across program lines, in either Headquarters or the Regions. We also should give serious consideration to reassignments between regions and some interchange of staff between Headquarters and the regions. I therefore intend to carry out a regular review of the HDS management pool in the headquarters and regional offices with the view of considering reassignments or details to new positions.

Reassignments must be at the employee's current grade, unless the employee has been downgraded and then the position change could be at any grade up to the former grade. The employee must be fully qualified for the position. If program changes are involved, the employee should receive additional or refresher training as appropriate to his or her background.

I will be consulting with you in these periodic reviews. To assist me in implementing this policy, please formulate your comments and recommendations as to which of your employees should be considered for new positions. I expect that the first round of reassignments will be initiated by the end of April.

Based on your recommendations and the success of these initial reassignments we can explore ways of improving this process. We may want to consider developing a more formal program to accomplish these objectives. We also may want to expand the review to cover positions at the GS or GM-13 grade levels.

DEPARTMENT OF HEALTH AND HUMAN SERVICES,
OFFICE OF HUMAN DEVELOPMENT SERVICES,
Washington, DC, August 9, 1982.

Memorandum to: Commissioners, Staff Office Directors, Regional Administrators.
From: Jaime L. Manzano, Deputy Assistant Secretary for Human Development Services.
Subject: Periodic Reassignment of Senior Management Employees.

On April 2, 1982, the Assistant Secretary announced a program of assignments to (1) assure that our senior staff are being used to the best advantage, (2) increase the efficiency and responsiveness of HDS operations and (3) enhance the overall effectiveness of the management team. This program serves the long-term objective of developing the skills and career potential of staff.

This proposal aroused much interest among staff, managers and senior staff members. A number of individuals expressed interest in making a change and supervisory referrals were excellent. After extensive deliberation and careful consideration of a variety of management options, the initial round of placement decisions is complete. A list of these placements is attached.

I believe that without exception these placements will lead to improved program operations. They will also unquestionably broaden the managerial perspectives of the individuals concerned. We are confident that the reassigned staff will be produc-

tive and creative in their new positions, and that we will learn much which will benefit us in future placements under this program.

Attachment.

DEPARTMENT OF HEALTH AND HUMAN SERVICES,
OFFICE OF HUMAN DEVELOPMENT SERVICES,
Washington, DC.

Memorandum to:
From:
Subject: Reassignment to

This is to confirm that you are being reassigned to the position of . This action is to be effective . A copy of the position description is attached.

This action is part of the HDS policy to periodically reassign employees in order to match personnel resources to workload and to serve the long-term objective of developing the skills and career potential of staff. These objectives were outlines in the Deputy Assistant Secretary's memorandum of August 9, 1982, on the periodic reassignment of personnel.

THE SECRETARY OF HEALTH AND HUMAN SERVICES,
Washington, DC., September 21, 1983.

Hon. IKE ANDREWS,
Chairman, Subcommittee on Human Resources, Committee on Education and Labor, House of Representatives, Washington, DC.

DEAR MR. ANDREWS: Thank you for your letter regarding funding the Administration has proposed to support Head Start training, technical assistance, research and evaluation activities in Fiscal Year 1984. We appreciate your continued support for the Head Start program and welcome your comments.

The Department shares your belief in the importance of training to the successful operation of the Head Start program. Approximately $6 million of the funds appropriated for Head Start training and technical assistance have been spent annually for the training of classroom staff who work directly with children. I want to assure you that in Fiscal Year 1984 we plan to fully maintain this level of funding for such training.

The training of parents and volunteers who work with children is an important acivity. Much of this type of training is an important activity. Much of this type of training is already conducted by local projects as one of their normal activities and does not depend heavily on outside training contractors or grantees. Consequently, the President has recommended a reduced funding level of $13.4 million for training and technical assistance in Fiscal Year 1984. This reduction in funds would mainly affect technical assistance services obtained through grants or contracts. We feel that funds not expended for technical assistance could be better used to directly provide Head Start services to children.

Technical assistance generally involves a short-term problem-solving site visit by an expert. We believe that the amount requested would adequately fulfill that function. Head Start grantees, after many years of experience, are able to assume greater responsibility for identifying and meeting their technical assistance needs. Many local Head Start programs have been successful in establishing links with public, private and voluntary resources who can provide them with technical assistance that is often more responsive to their needs and less costly than assistance previously provided through national and regional contracts.

Some new training costs will occur next year if we receive funding to expand Head Start enrollment. These needs will be met by including funds for training as part of the grant awards made to expand enrollment.

We also believe that the reduced levels proposed for Head Start research and evaluation would be adequate to continue investigating important issues and testing new approaches for improving Head Start services. Please be assured that these reductions are being proposed so that funds can be transferred to local Head Start projects and thus expand direct services to children.

Your continued interest in maintaining the high quality of Head Start Services is greatly appreciated.

Sincerely,

MARGARET M. HECKLER,
Secretary.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, March 14, 1984.

Mr. M. THOMAS HAGENSTAD,
Director, Office of Congressional Relations, General Accounting Office, Room 7023, Washington, DC.

DEAR MR. HAGENSTAD: In view of the fact that the General Accounting Office has been asked by the House Committee on Education and Labor to examine the grant application evaluation procedures used by the Department of Health and Human Services, I wanted to share with you the enclosed article I received from Dean John O'Neill of Eastern Washington University's School of Social Work and Human Services.

The experiences detailed in the article typify the problems expressed to me regarding the handling of grant applications and the evaluation process by the Office of Human Development Services. I would very much appreciate your reviewing these comments and addressing the issues they raise while developing your report on this situation.

With appreciation for your attention to this request and best wishes.

Sincerely,

THOMAS S. FOLEY,
Member of Congress.

Enclosure.

[From the San Francisco Chronicle, Oct. 3, 1983]

OFFICIALS SAY GRANT CHOICES ARE MADE IN PECULIAR WAYS

WASHINGTON.—Officials in a Health and Human Services Department program to give millions of dollars in grants to social-science projects have been approving projects rated by experts as the lowest of their class and rejecting others that are highly ranked, agency documents show.

Staff members of the department's Office of Human Development Services and researchers who receive grants from it say the health department research-grant program has been transformed under the Reagan administration and assistant secretary Dorcas R. Hardy.

One researcher called the grant decisions "totally unpredictable," and one staff member said the grant system now is "pure pork barrel."

Defenders of the new system call it innovative, and typical of the way the administration is trying to reshape government-financed science. They said it "throws out the old guard" and brings in more "community-based" programs and more researchers who are not on the "good-ol-boy" network in the social sciences.

Hardy, an assistant secretary in California's health department when President Reagan was governor, said last week that the changes at the health department restored accountability to the grant process and brought about "a marked increase in the diversity of organizations funded."

Hardy once helped direct a social-science program at the University of Southern California.

In its main research program, the health department gave out about 140 grants that totalled $27 million last year.

In past years social-service agencies' and researchers' proposals would be scored numerically and ranked by experts in the field, in psychology, sociology and social work. Their evaluations, health department staffers said, for the most part were approved by mid-level agency staff workers.

Now, however, that authority has shifted to Hardy and her senior assistants, and "peer review" is given less weight, staff members said. Hardy's critics charge that her system is unpredictable and does not finance the best programs.

Those who say the program is working pointed out that social-science grants always have been more "political" than physical- or biological-science grants. They added that those complaining about the system are people who have lost decision-making power under Hardy.

Some examples found in computer printouts of senior staff "decision memos":

Among 88 proposals for child-welfare training grants, the proposal ranked by experts as No. 2, with a score of 97 out of a possible 100, was turned down. Eleven more of the top 25 also were rejected. At the same time, a proposal from an Arkansas group that came in last, with a grade of 46, was financed. A note marked beside the case said, "State previously not funded." Similar comments on state considerations were found in more than 40 of the 88 proposals.

Of 267 applicants for financing of family programs, 23 of the top 34 proposals were eliminated. With only 34 to be chosen, applications ranked by experts as low as number 249 received grant consideration. Seventeen of those approved for consideration were ranked lower than 100, and seven of those were lower than 200.

The top-rated proposal in a group on training to run programs for the aged received a score of 89 on the first round and was reported to have gotten a 95 in a second review. It was rejected. A proposal scoring 30 points lower, at 60.7, from the University of Southern California, was approved for a grant.

In a program aimed at aiding homeless children and runaways, five of the top 12 proposals were rejected despite scores of 86.5 to 91. At the same time, proposals ranked 100, 101, and 103 were approved for consideration for grants. Their scores were between 56 and 58.5.

One staff member who requested anonymity said that at times writing a letter of approval becomes a joke. "Someone handed me one of these that scored" below 50 but was approved for funds "and said, 'Just see if you can find me something good to say about that one. Anything at all,' " the staff worker said.

THE SECRETARY OF HEALTH AND HUMAN SERVICES,
Washington, DC, March 27, 1984.

Hon. THOMAS P. O'NEILL,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Enclosed for the consideration of the Congress is a draft bill "To extend and amend programs under the Native American Programs Act of 1974, and for other purposes."

The draft bill would extend for three years, through fiscal year 1987, the authorization of appropriations for programs under the Act. Appropriations would be authorized of $28,000,000 for FY 1985, $28,644,000 for FY 1986, and $29,259,000 for FY 1987.

The draft bill would also amend a provision which restricts participation in projects related to the purposes of the Act to public or nonprofit private agencies or organizations, in order to permit participation by for-profit entities as well. This will increase competition and should improve quality by allowing selection from a greater number of proposed projects.

We urge that the Congress give the draft bill its prompt and favorable consideration.

The Office of Management and Budget has advised that enactment of this legislative proposal would be in accord with the program of the President.

Sincerely,

MARGARET M. HECKLER, *Secretary.*

Enclosure.

A BILL To extend and amend programs under the Native American Programs Act of 1974, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

AUTHORIZATION OF APPROPRIATIONS

SECTION 1. Section 814 of the Native American Programs Act of 1974 (42 U.S.C. 2992d) is amended by striking out "such sums" and all that follows and inserting instead "$28,000,000 for fiscal year 1985, $28,644,000 for FY 1986, and $29,259,000 for FY 1987.".

ELIMINATION OF BARRIERS TO USE OF PROFITMAKING ENTITIES FOR PROGRAM PURPOSES

SEC. 2. Section 803 of the Native American Programs Act of 1974 (42 U.S.C. 2991b) is amended by striking out "nonprofit private agencies" and inserting instead "private entities".

THE SECRETARY OF HEALTH AND HUMAN SERVICES,
Washington, DC, April 24, 1984.

Hon. CARL D. PERKINS,
Chairman, Committee on Education and Labor, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: This is in response to your request for the Department's views on H.R. 5145, a bill "To authorize appropriations for Head Start, Follow Through, and community services programs, to establish a program to provide child care information and referral services, and for other purposes."

In summary, we oppose title I, section 205 of title II, and title IV of the bill, because they contain provisions which would duplicate existing legislation, restrict State flexibility, or create administrative burdens at State and Federal levels. We also oppose title III, reauthorizing the Community Service Block Grant program. The Administration is proposing to repeal this program, since it duplicates services that can be provided under other programs, including the Social Services Block Grant program. We defer to the Department of Education on the merits of the remainder of title II of the bill, amending the Follow Through Act.

The Administration is a strong supporter of Head Start, and has submitted a proposal, now introduced as H.R. 5277, to extend the program for three years. However, we have many concerns about title I of H.R. 5145, which extends and amends the Head Start Act, and we urge the Committee to support H.R. 5277 instead.

Section 101 of the bill would require that the Head Start program be administered through the Department's Administration for Children, Youth and Families (ACYF). We oppose this provision because, by locking a particular organizational structure into place through statutory language, it would unnecessarily restrict the flexibility of not only the present Secretary but all future Secreatries to manage the program in the most effective manner. In addition, in giving ACYF the status of a statutory entity, this amendment would affect the managment of other programs for children and youth, some of which are under the jurisdiction of other committees.

We oppose section 102, which would extend the Head Start program for five years, rather then the more usual three year extension. Three years is a reasonable length of time in which to assess the operation of the program, and to decide whether any changes are necessary to improve the program. We are also opposed to the excessive authorization levels in section 103.

Section 104 would require that spending for training and technical assistance activities remain at least at the FY 1982 spending level of $25 million in every fiscal year. We oppose this requirement as unrealistic and unnecessarily restrictive. Management flexibility in allocating funds in the areas of training and technical assistance should be maintained, since the need for specific expenditures may vary from year to year. We believe that, in the long run, including a specific dollar requirement for training and technical assistance would be damaging to the program in that, as the program matures, less technical assistance will be necessary. The statute now requires funding for training and technical assistance at the level "sufficient to meet the needs associated with program expansion and to foster program and management improvement activities", and we believe that this is the appropriate statutory directive.

Section 105 would make mandatory the continued funding of current grantees. We do not think that the interests of current grantees should be placed above the interests of the Head Start program or, more importantly, above the interests of Head Start children. Current and past interpretation of the requirement to "give priority" has been that this language is virtually binding unless there is a problem of performance or management. In addition, the current competitive process for awarding the Head Start expansion funds already gives priority to current grantees. There has been no demonstrable problem in this area. We have found that in almost all cases the most experienced and effective organization to provide new services is likely to be a current grantee. However, language seeking to protect a certain set of organizations would eliminate the program's ability to respond to specific circumstances.

Section 106 would explicitly authorize provision of Head Start services to any eligible child for any period during which that child had reached age 3 and not reached the age of compulsory school attendance. This proposal appears to be based on a concern that Head Start services might be restricted to one year per child. We do not believe that the change is necessary. In the current competitive process for awarding Head Start expansion funds, preference is being given to one year of service, with the intention of enabling more individual children to participate, but also

with the understanding that more than one year might be proper based on the special needs of individual children.

Section 107 would require the funding of training and technical assistance activities each year, and would require funding of the Child Development Associate program and resource access projects for handicapped children. The requirement that training and technical assistance be funded is unnecessary, since obviously some funds would be spent on these support functions each year. Furthermore, the requirement to fund two specific types of training and technical assistance indefinitely is not helpful to the Head Start program since it would restrict the program's ability to respond to changing needs of Head Start grantees.

We also oppose the provisions in sections 104 and 108 that would limit the Department's authority to combine funds appropriated under the Head Start Act with funds appropriated under any other Act in order to make a single discretionary payment. The children and parents served by the Head Start program can benefit from crosscutting programs both in terms of improved coordination with other programs and in leveraging funds from other sources. For example, Head Start and Developmental Disabilities funds could be coordinated to benefit developmentally disabled Head Start children.

We feel that the requirement in section 109 that any revision of the Head Start performance standards "not result in either the elimination of, or the reduction in the scope of" types of Head Start services is unnecessary. Present law already requires that any revision of performance standards must result in standards no less comprehensive than those in effect in 1978.

We oppose section 205 of the bill, which would require the Secretary to establish a grant program to provide for a centralized system child care information and referral. We believe the purposes of such a program can best be accomplished by State and local governments and the private sector, rather than through a new categorical Federal grant program which duplicates services available or being developed through other programs. Indeed, this legislation seems unnecessary in light of the significant work already being done in the area of child care information and referral.

The Department is currently completing a study on child care information and referral within the United States. Preliminary findings from that study indicate that child care information and referral agencies have played a significant role in increasing the effective use of existing child care services and in stimulating the development of additional services. The preliminary findings of that study also indicate that at present approximately 6,400 organizations in the United States are providing some child care information and referral services. Of these, 25 percent (1,585) devote at least one person a year to providing child care information and referral services, and approximately one percent (50–60) have as their primary mission the provision of child care information and referral.

This Department already provides to States, local communities, and the private sector, from a variety of sources, funding, technical assistance, and other support for development and provisions of child care information and referral services. We believe that the present approach better serves the needs of States and local communities, and allows them greater flexibility to develop programs tailored to their particular situations, that would be categorical grant program provided for by this bill.

For example, States may use for these purposes funds received under the Social Services Block Grant program administered by this Department. In addition, ACYF is working with President Reagan's Advisory Council on Private Sector Initiatives to encourage and promote the expansion of employer sponsored child care services, by making the business community better informed concerning various options for increasing working families' access to child care, including support of information and referral organizations.

Title III of H.R. 5145 would reauthorize the Community Services Block Grant program. We strongly oppose the continued funding of this program, since it duplicates services funded under other programs.

The Community Services Block Grant (CSBG) duplicates the Social Services Block Grant (SSBG). Both block grants authorize similar services to essentially the same client groups. To carry out the block grants, there are two sets of regulations at both the State and Federal levels, and two administrative apparatuses at the Federal level, and many cases at the State level. This duplication is costly and unnecessary. To ensure that the reach of the SSBG, already the most flexible of the block grants, extends to most of the activities now funded from the CSBG, this Department has proposed that the "purposes" section of the SSBG Act be amended to include the alleviation of proverty.

There are several major Federal funding sources in addition to the SSBG which are able to support the continued existence of the community action agencies (CAAs). Only twelve percent of ($315 million) of the budget of the CAA network derives from the CSBG. 86.6 percent ($2.3 billion) comes from such other Federal funding authorities as Head Start and the Low Income Home Energy Assistance Program in this Department, the Weatherization Program in the Department of Energy, the Community Development Block Grant in the Department of Housing and Urban Development (HUD), and the Jobs Training Partnership program in the Department of Labor (DOL). The CSBG Act duplicates all of these authorities.

There is also duplication in the CSBG's discretionary programs. The discretionary programs funded from the CSBG, such as programs for migrant and seasonal farmworkers, rural housing, and economic development, are duplicative of programs being conducted by the Farmers Home Administration, DOL, HUD, and the Department of Commerce.

Even if the CSBG Act were not repealed, we would still be opposed to most of the amendments included in title III of H.R. 5145, for the reasons detailed below.

Sections 301 and 306 of the bill would reauthorize the CSBG Act through FY 1989. Since the CSBG Act is currently authorized through FY 1986, a reauthorization now that would carry it through FY 1989 is both unnecessary and premature. Section 301 would increase the authorizations of appropriations for the CSBG each year for FYs 1984 through 1989, from $389.4 million to $522 million. In this period of soaring deficits, the currently authorized funding levels for the CSBG should be decreased, not increased.

Section 302 woud make permanent the temporary provision, which has been extended up to the present by appropriations acts, requiring that States "pass through" the majority of CSBG funds to CAAs. We believe that any pass-through requirement is needless and costly restraint on decision-making and priority setting at the State and local level.

States should have the same flexibility under the CSBG Act as under other block grants to select the best qualified service providers at the lowest cost to the taxpayers. Under both the present temporary provision and the proposed amendment, a State wishing to cease funding a poor performer in a country without disrupting services must select a replacement from among a narrow range of "eligible entities" which may be located miles away from the county in question. Surveys show that the States have acted responsibly and fairly in their implementation of the block grants, and there is no reason to believe that elimination of the pass-through requirement would pose a threat to those CAAs that have been performing effectively over the years.

Section 303 would replace the Director of the Office of Community Services (OCS) with an Assistant Secretary to be appointed by the President with the advice and consent of the Senate. The staff of OCS comprises only 55 employees. Making the head of this Office an Assistant Secretary would be grossly disproportionate to the size of the organization. No other block grant programs in this Department are administered directly by an Assistant Secretary. There is no need for an elaborate and highly-graded structure at the Federal level to administer a streamlined block grant program.

Section 305 would mandate the expenditure of nine percent of the CSBG appropriation for discretionary programs. The present Act authorizes but does not require such expenditures. Apart from the National Youth Sports program (which we are proposing be funded by the Public Health Service), the discretionary programs are duplicative of programs conducted by DOL, HUD, Commerce, the Economic Development Administration, and the Department of Agriculture. The discretionary programs have little connection with the rest of the block grant program, and should be abolished regardless of what happens to the remainder of the block grant.

Section 305 would also expand the range of discretionary programs to include a "Community Food and Nutrition Program" and a "Senior Opportunities and Services Program". This proposal would revive two programs formerly conducted by the Community Services Administration. Such revival is unnecessary. The current Act permits the use of CSBG funds for food and nutrition programs, and it is conservatively estimated that $30 million of CSBG funds are being used for this purpose. Similarly, the proposed "Senior Opportunities and Services Program" would be a duplication of programs now being conducted by the Administration on Aging.

For the foregoing reasons, we strongly oppose enactment of H.R. 5145, and urge that the Congress support instead H.R. 5277, the Administration bill to extend the Head Start program, and the Administration's proposal to repeal the CSBG Act. If H.R. 5145 were to be passed by the Congress, I might find myself compelled to recommend that the President not approve the bill.

The Office of Management and Budget has advised that there is no objection to the presentation of this report, and that enactment of H.R. 5145 would not be consistent with the Administration's objectives.

Sincerely,

MARGARET M. HECKLER, *Secretary.*

Avondale, MD,
FEBRUARY 15, 1984.

GORDON RALEY,
Subcommittee on Human Resources, Room 2178, Rayburn Building, House Office Building, Washington, D.C.

DEAR MR. RALEY: A belated note of appreciation for intervening in behalf of the Head Start Bi-State Training Office on January 17 to prevent the office from being closed on January 18. We have received a "stay of execution." We are negotiating with the Regional Office for an extension through May 31.

The enclosed information sheet explains the current T/TA situation as we understand it. Perhaps direct funding for T/TA is a preferred method of providing T/TA in some parts of the country; however, in regions and/or states where services are being provided in a cost effective manner to the satisfaction of Head Start programs served, Regional Offices should have the flexibility to fund existing systems. As you will note, the Delaware and Maryland Head Start Administrators' Associations have gone on record as desiring to keep the current T/TA system in place.

One way that Head Start programs are proceeding is to request a Congressional Hearing on ACYF's T/TA policy It is the feeling of many that Congressional intent in supporting the Head Start program through expansion and maintenance of T/TA dollars is being undermined by ACYF's current policy with respect to T/TA.

Again, thanks for your support. If I can provide any additional information I would be glad to do so.

Sincerely yours,

NANCY GOLDSMITH.

NATIONAL POLICY ENDS BI-STATE FUNDING

Persistent rumors concerning termination of the current Head Start training and technical assistance system were confirmed by both Regional and National Office officials during the past few weeks. Beginning some time during this fiscal year, 75% of all Program Account 20 (training and technical assistance) funds, including the CDA allocation, will be awarded directly to Head Start grantees. The remaining 25% will be used to fund regional training centers through competitive bids.

While the same amount of dollars will be available for TnTA nationally (approximately $25 million), the Administration for Children, Youth and Families (ACYF) will hold back more dollars for national TnTA initiatives. The Regional Offices will receive less TnTA money than they did in FY83 with the directive to place at least 75% of these monies into direct funding. All State Training Offices in the country will close this year.

In accordance with this policy change, the Bi-State Training Office will close operations on May 31, 1984. The current Regional Resource and Training Center contract expires in April 1984. The Home Start Training Center will close in June 1984. A new contract for the Resource Access Project (for Handicapped Services TnTA) will be awarded this summer.

It has been proposed that every grantee in the region will receive a minimum of $1,500 in PA20 funds to purchase TnTA services. Then, programs will receive additional dollars on a formulated rate based on the number of children enrolled. Of those additional dollars, 60% will be for CDA training. This system is projected to go into effect when the TnTA guidance is announced by ACYF.

Reaction of the Maryland Head Start Administrators' Association has been to produce a Position Paper on Training and Technical Assistance, supported by staff and parents who were polled. The paper notes that:

I. Regions need flexibility in designing methods for delivery of training and technical assistance.

II. Maryland supports the concept of a regional training effort combined with state training offices because of the following benefits of each:

STATE TRAINING OFFICES

Assist the State Associations;
Monitor program activity;

Locate and disseminate direct training resources;
Have an experience factor that cannot be duplicated;
Develop intercommunication among staff throughout the State;
Maintain a resource library for staff, parents and directors;
Develop and maintain linkages with other agencies serving the Head Start population;
Act as clearinghouses for federal, state and local agencies desiring information and/or collaboration with Head Start programs;
Provide levels of service based upon need of program, rather than enrollment of program.

REGIONAL TRAINING CENTERS

Provide specialists whose experience is specific to Head Start;
Provide cluster training to facilitate cross-state and regional exposure;
Provide vehicles for transmission and replication of successful ideas and projects (one-time only trainers could not provide for this);
Provide follow-up services needed due to the ongoing nature of the system;
Provide levels of service based upon need of program rather than enrollment of program.

III. Maintenance of separate service delivery systems allows for objective assessment and a system of internal checks and balances.

IV. Therefore, the training and technical assistance network, as currently exists, allows for equity of training and technical assistance for all programs, regardless of size. This is seen as the most cost-effective method to preserve the quality of all programs.

V. The presentation of the existing system will best facilitate the training and orientation needed by new grantees to insure the integrity and assimilation of the Head Start philosophy. The experience and knowledge of Head Start regulations and parent involvement contained within the existing system is an invaluable resource which cannot be duplicated.

The Delaware Head Start Administrators Association has also developed a position paper on TnTA. These directors have stated that they share Maryland's concern for maintaining a network system for the provision of training and technical assistance, noting that:

The current system has proven itself to be cost-effective;
The lack of training provided to parents under a system of direct funding to grantees would inhibit their upward mobility and negate economic self-sufficiency and opportunities;
Through the current TnTA system the effectiveness and very image of Head Start has been positively promulgated, thereby effectively enhancing and motivating private sector involvement and support;
As a result of the increased enrollment levels of 2900 children in Region III, existing grantees services will be increased and new grantee agencies will be established, further emphasizing the need for a consistent TnTA system; and
The current system has historically provided an invaluable service to the Head Start community in providing TnTA for the establishment and maintenance of compliance with new regulations, such as TN 70.2—The Parents, and new initiatives, such as Exploring Parenting and Economic Self Sufficiency; this service must continue.

HIGH/SCOPE EDUCATIONAL RESEARCH FOUNDATION,
Ypsilanti, MI, February 6, 1984.

Mr. GORDON RALEY
Staff Director, Subcommittee on Human Resources, Rayburn House Office Bldg., Washington, DC.

DEAR GORDON: Enclosed is the second issue of High/Scope's Management Newsletter, a publication we have designed to keep you informed of the development of our overall work.

I would specifically like to call your attention to the new eight year study that High/Scope is undertaking for the International Association for the Evaluation of Educational Achievement (IEA). We will be serving as the national research agency and the international coordinating center for this 21-nation study. I'm also pleased to announce our association with the William T. Grant Foundation. As program consultants to Grant, we will be responsible for stimulating and supporting the development of grant applications that propose research and development efforts de-

signed to enhance innovative human service programs. High/Scope is playing a larger role in facilitating the work of other non-profit groups and grant-making agencies. We find this role a challenge and of considerable interest to us.

As always, I look forward to your comments and suggestions.

Sincerely,

DAVID P. WEIKART.

Enclosure.

High/Scope
MANAGEMENT
NEWSLETTER

WORK BEGUN

High/Scope to Play Key Role In International Preprimary Study

HIGH/SCOPE HAS BEEN INVITED TO play a key role in a major cross-national study of early childhood care and education sponsored by the International Association for the Evaluation of Educational Achievement (IEA).

IEA, best known for its comparative international surveys of school achievement in mathematics, science, reading, and other academic areas, is planning its first research effort in the early childhood field. The IEA Preprimary Project will examine the role that out-of-home care and education play in the development of young children and in the lives of families in 21 developed and developing countries. Parallel national studies will be conducted in each participating country, followed by an international synthesis of findings across countries.

The General Assembly of IEA has asked High/Scope to serve as the U.S. National Research Center for the project, and in this role, to assume responsibility for designing and implementing the national study and for disseminating study findings.

High/Scope has also been asked to operate the International Coordinating Center that will support, manage, and integrate the work of all 21 international projects. The International Coordinating Center will be staffed by professionals from participating countries and will work under the direction of a project steering committee from IEA.

The preprimary study will provide an international, comparative perspective on the daily lives of four-year-old children, the functions of out-of-home care and education in a changing world, and the implications of different patterns of early childhood experience for later social competence. The national studies are specifically intended to provide timely information to guide public policy formation. The international synthesis of national research findings is intended to foster cross-national understanding and to guide policy formulation among international agencies and organizations.

The project is scheduled to formally begin in the summer of 1984 with a meeting of representatives from all participating countries. The study will culminate in a final series of international publications in 1992.

Throughout the life of the project, the IEA project steering committee

The High/Scope Management Newsletter is a periodic report on the activities and organizational status of the High/Scope Educational Research Foundation, a non-profit research, development, and training organization with headquarters in Ypsilanti, Michigan. The Foundation's primary goals are to promote the learning and development of children from infancy through adolescence and to support parents and teachers as they help children learn and grow. -January 1984

will guide its course. Members of the committee are: Lilian Katz, Chairperson, University of Illinois; Marcel Crahay, University of Liège, Belgium; Wolfgang Tietze, Westfälische Wilhelms-Universität, Münster, West Germany; and Richard Wolf, Columbia University, New York.

To open up the research process so that all people concerned with the development of adequate provisions for young children can be involved, a number of advisory groups are planned for the U.S. project as well as for the International Coordinating Center.

An advisory committee of representatives of U.S. government agencies such as the Department of Education and the Administration for Children, Youth, and Families, is being established to link the study closely with the agencies' needs for information to guide policy decisions.

In addition, national membership groups such as the National Association for the Education of Young Children are being asked to suggest members for a committee that would look at the issues relating to high quality programs for young children and relevant state and federal legislation. Another advisory committee of program officers from the various foundations concerned with children is being established so that groups with a long-term interest in the development and utilization of knowledge about children can be included in the design and operation of the project.

To allow individual researchers, educators, and others concerned with the education and care of young children to support the project and to receive timely reports on its progress, a support committee has been established. Individual memberships ($50), professional association memberships ($250), and sponsoring memberships ($1,000) in this committee are available to all those interested.

At present, funding for the overall project and all its components is not yet complete. In IEA projects, each country typically raises funds for its own work in its own country. Currently, the World Bank and the International Development and Research Council of Canada are engaged in discussions with the IEA Secretariat regarding funding for the project in developing countries.

"We feel this study is unusually timely because of the need for information to guide appropriate policy decisions regarding the development of high quality programs for the education and care of young children," says High/Scope President David Weikart. "The study has the potential of providing policy makers with the information they need to apply findings from the last two decades' research to actual programs for children." ■

New Program Links Research With Innovative Service Efforts

THE WILLIAM T. GRANT FOUNDATION has invited High/Scope to assist with the development of its recently initiated "Action Research" grants program. Dr. Robert Haggerty, President of the Grant Foundation, explains, "We are looking for ways to link exciting, innovative service programs with research workers—in part, to speed up the process of transferring research findings into service programs. But we also believe that when existing service programs foster high caliber research, there is a greater likelihood that others will give serious attention to their utility in established settings."

The Grant Foundation is specifically interested in programs that seek to enhance the abilities of school-age children to cope effectively with stress. High/Scope staff, serving as Senior Program Consultants to Grant, will seek out promising, innovative examples of such programs across the country and will attempt to link them with local research teams. The programs and the research teams will work together to develop joint plans for "Action Research" aimed both at evaluating and improving program effectiveness. In addition to their role as "brokers," High/Scope consultants will provide technical assistance to service program staff and researchers in developing grant proposals and in actually carrying out the work once projects are funded. It is anticipated that the Grant Foundation will fund several "Action Research" projects each year. The Grant Foundation will make all decisions concerning the approval of applications. James T. Bond, Director of Research, is managing this project. ■

WORK UNDERWAY

Voices for Children Project Promotes Public Awareness

UNDER A GRANT FROM CARNEGIE Corporation of New York, the High Scope Center for the Study of Public Policies for Young Children is conducting the Voices for Children Project, an effort to promote public awareness of the benefits of high quality early childhood education. Lawrence J. Schweinhart, Co-Director of the Policy Center, manages the project.

The Voices for Children Project brings informational tools to advocates and educates the decision-making public on the documented benefits of high quality early childhood education. The project seeks, as a long-range goal, to stimulate the establishment of high quality early childhood education for economically disadvantaged children.

Voices for Children is conducting three strands of work: state projects, national association projects, and a series of conferences and study group meetings.

With funding from Carnegie, three state projects are underway—in Michigan, North Carolina and South Carolina—with a fourth proceeding in Ohio with funding from the Gund Foundation of Cleveland.

In Michigan, North Carolina and Ohio, Policy Center staff will train about 25 coordinators from each state to present information about the value and benefits of high quality early childhood education. Each coordinator will in turn train about 200 others from the state. It is anticipated that these efforts will reach thousands of citizens per state, including the community leaders who make and influence decisions affecting services for young children.

In the South Carolina project, staff are working with representatives of the Governor's Office and other state agencies in a collaborative effort to improve the provision and quality of early childhood programs for low-income children in the state. As part of this effort, High Scope and the state personnel are developing an evaluation system for publicly funded early childhood programs.

Voices for Children staff are also working with four national associations—representing the diverse fields of education, government, business, and organized religious groups—in "leadership initiatives" designed to assist members of these associations in becoming more effective advocates of high quality early childhood education.

Project staff have planned a series of conferences and study group meetings whose goal is to develop an understanding of how to achieve the widespread institutionalization of preschool programs and how to maintain high quality in such programs. Two such events have already occurred, a policy conference on institutionalizing preschool programs and a session on how to achieve high quality in early childhood programs at the recent National Association for the Education of Young Children conference. Also planned is a study group meeting of prominent leaders from various states.

A project advisory panel provides periodic reviews of the project. Members are: Barbara Bowman, Director of Graduate Studies, Erikson Institute; Robert L. Egbert, George W. Holmes Professor of Education, University of Nebraska; Barbara D. Finberg, Vice President, Programs, Carnegie Corporation of New York; Irving Harris, Chairman, Pittway Corporation; and Rachel Tompkins, Executive Director, Children's Defense Fund. ■

"Outreach" Trains Special Educators

THE HIGH SCOPE EARLY CHILDHOOD Education Department is continuing its long-term Outreach training activities for educators, parents, administrators, supervisors, and support staff who work with handicapped children, under a grant from the U.S. Office of Special Education under the Handicapped Children's Early Education Program (HCEEP). Agencies are selected by HCEEP to provide training under Outreach after the effectiveness of their educational model has been assessed during a prescribed demonstration period. In this case, the model is the High/Scope Cognitively Oriented Preschool Curriculum. High/Scope's Outreach activities are designed both to strengthen the existing network of demonstration/replication sites and to provide an orientation to the Cognitively Oriented Curriculum model to new groups of special educators. The curriculum framework encourages the creation of an environment in which both teachers and children initiate, plan, and conduct developmentally appropriate active learning experiences. This approach to learning is presented at state and regional conferences and on-site training events. The project is directed by Clay Shouse, Director of the Early Childhood Education Department. ■

WORK UNDERWAY

Training of Trainers Program Develops Permanent Training Resource

IN THE FALL OF 1981 HIGH/SCOPE and the Los Angeles County Head Start/State Preschool Program began a training program for highly qualified educational supervisors from the County schools and delegate agencies in both the California State Preschool Program and Head Start. Graduates of that year-long program were so successful in transferring their new knowledge to the classroom teachers that a second training program was initiated this year.

The 1983-1984 Training of Trainers Project is funded by four agencies: the Los Angeles County Schools, the Louis B. Mayer Foundation, Embassy Communications, and the Getty Oil Company. Participants come from a number of different Head Start programs serving children from low-income families and a variety of ethnic backgrounds.

The High/Scope Training of Trainers Program prepares participants (1) to implement the Cognitively Oriented Preschool Curriculum and (2) to train others in its implementation. Training is accomplished through group workshops, independent study, practical work in preschool settings, and individual conferences. As the curriculum is a flexible process and not a fixed sequence of activities or set of materials, participants are assisted by High/Scope staff in adapting the curriculum model and management systems to local settings. High/Scope staff make every effort to gear the training timetable and topical emphases to the needs and interests of participants.

Unlike many inservice models, the Training of Trainers Program does not provide direct training to classroom teachers/caregivers. The decision to offer training to trainers, rather than teachers/caregivers, was influenced by several factors. First, long experience in the field has shown that the effects of teacher/caregiver training tend not to endure due, in large part, to the movement of teachers/caregivers in and out of communities and the profession. Second, the cost of providing yearly sustained inservice training to teachers by outside consultants tends to be prohibitive, particularly under current economic conditions. Third, systematic adaptation of the curriculum to local circumstances is essential for program viability and for creating a sense of local ownership; however, effective classroom adaptation is extremely difficult to accomplish without having a trainer/supervisor on site for extended periods of time, if not permanently.

By developing permanent training resources in communities, the Training of Trainers Program achieves greater outreach, lower per capita training costs, and more lasting effects than would otherwise be possible. By placing the primary responsibility for adapting the curriculum to local needs in the hands of local trainers, the program promotes local ownership the development of effective operational models tailored to diverse cultural and organizational settings.

The results of Training of Trainers Programs conducted to date are extremely encouraging. The previous program in Los Angeles and another program conducted in Missouri during 1981-1982 together resulted in endorsements of 28 trainers, who are currently training teachers and other caregivers in over 597 classrooms. The "second-wave" of training in Los Angeles should add substantially to these numbers. By next year, an additional 194 classrooms should be implementing the curriculum, and this figure will grow as additional teachers/caregivers are trained. The project is directed by Clay Shouse, Director of the Early Childhood Education Department. ■

RECENT COMMITMENTS

Carnegie Corporation of New York, $208,000. A grant to inform citizens around the country of the documented benefits of high quality early childhood education. (See "Voices for Children," p. 3)

Los Angeles County Schools, $82,500; Louis B. Mayer Foundation, $10,000; Embassy Communications, $5,000; Getty Oil Company, $2,500. A contract with Los Angeles County Schools and supporting grants from cooperating organizations to prepare educational supervisors from the Los Angeles County Schools and delegate agencies to become certified trainers in the Cognitively Oriented Preschool Curriculum. (See "Training of Trainers," p. 4)

Michigan C.O.O.R. Intermediate School District, $98,340; $4,000. The larger contract is to provide a science, arts, leadership, and careers program for high potential youth from central Michigan. The residential program, now in its third season, is designed to help promising young people realize their potential for academic achievement and attainment. The smaller contract supports work with teaching and administrative staff of C.O.O.R. schools to help them develop teaching techniques and plan programs for gifted and talented children and youth.

U.S. Office of Special Education, $93,872. A continuation grant to disseminate the Cognitively Oriented Preschool Curriculum to special educators, parents, administrators, and others who work with handicapped children. (See "Outreach Project," p. 3).

TRAVEL/EVENTS

Foundation President **David Weikart** traveled to **London, England**, to meet with representatives of British statutory and voluntary agencies to discuss issues in the training of early childhood educators. He also visited **Dublin, Ireland**, to present a workshop on early childhood education sponsored by **Dr. Barnardo's**, a children's charity, and the **World Organization for Early Childhood Education (OMEP)**.

Two **California** associations—the **California Community Colleges Early Childhood Educators** and the **California Child Development Administrators Association**—have recognized David Weikart and High/Scope with awards for contributions to the lives of young children through research.

Judith Evans, Vice President for Programs and Research, traveled to **Geneva, Switzerland**, to consult with the Maternal and Child Health Unit of the Family Health Division within the **World Health Organization (WHO)**. Evans assisted WHO/MCH staff in developing plans for a day care program that would further the goals of WHO by building upon innovative, community-based day care efforts that are effective in the delivery of health care services.

Rosemary Peacocke, a Staff Inspector for Primary Education in **Britain**, visited High/Scope last fall during a two week tour of U.S. educational institutions. Peacocke was specifically interested in learning about High/Scope's Cognitively Oriented Preschool Curriculum and training programs.

Lilian Katz, Chairperson of the Steering Committee for the **IEA Preprimary Project** (see p. 1) visited High/Scope recently to review plans for High/Scope's role in this major international study. Katz is Professor of Early Childhood Education at the University of Illinois at Champaign-Urbana and Director of the ERIC Clearinghouse on Elementary and Early Childhood Education.

Henning Rye, Chief Psychologist for **The Central Institute for Cerebral Palsy** in **Oslo, Norway**, visited High/Scope to gain firsthand experience with the High/Scope Cognitively Oriented Preschool Curriculum. Rye's work in Norway includes adapting the curriculum to the needs of handicapped preschoolers.

Marilyn Smith, Executive Director of the **National Association for the Education of Young Children (NAEYC)**, visited High/Scope recently to discuss a new NAEYC effort to develop a communication network for early childhood education professionals.

Richard Whitfield, who, as Director of Child Care for **Save the Children** is responsible for programs developed within the **United Kingdom**, visited High/Scope last fall to explore ways in which High/Scope and his organization might work together.

The **Early Childhood Education Department** last May hosted a special group of educators from **England** and **Holland** who were interested in gaining insight into the work of the Foundation, particularly the Cognitively Oriented Preschool Curriculum and the Training of Trainers Project. The group attended the Annual Spring Conference, visited preschool programs in the area, and participated in a series of special seminars where issues relating to curriculum and training were discussed. Members of the group were from a variety of voluntary, statutory, and higher education agencies, all concerned with preschool and day care programs. Represented in the delegation were the following British agencies: **Voluntary Organisations Liaison Council for Under Fives, Bristol Polytechnic, Derby Lonsdale College of Higher Education, National Association of Nursery and Family Care, SCOPE for Parents and Children, National Children's Home Children's Center, Dr. Barnardo's, The Open University, and Avon Local Authority. Katholieke Universiteit** in Nijmegen was the Dutch agency represented.

Fifty-four advocates of early childhood education from around the country—including representatives of public and private child care centers, Head Start programs, public schools, non-profit early childhood groups, city and state governments—came to **Clinton, Michigan**, last summer to join with staff of High/Scope's **Center for the Study of Public Policies for Young Children** and several guest speakers in a conference sponsored by **Carnegie Corporation of New York**. The conference was the first in a series of meetings that will address issues involved in institutionalizing high quality early childhood programs for America's children. ■

William T. Grant Foundation, $66,275. A contract to aid Grant in linking promising service programs with research teams who will aid the programs in evaluating and improving program effectiveness. (See "New Program," p. 2)

South Carolina Governor's Office, $45,000. A contract to analyze existing data on and to develop evaluation systems for early childhood programs sponsored by the state's Department of Education and Department of Social Services. (See "Voices for Children," p. 3)

U.S. Navy, $27,500. Contracts to provide training and technical assistance to staff of Family Service Centers at three naval stations across the U.S. who are providing support programs for parents based upon the High/Scope Parent-to-Parent Model.

Northwest Child Development Center, Winston-Salem, North Carolina, $11,350. A contract to train teachers in the Cognitively Oriented Preschool Curriculum.

U.S. Agency for International Development (USAID), $10,360. A contract to survey the involvement of non-governmental organizations (NGOs) in preschool provision in Swaziland. The purposes of the survey were to determine the current level of preschool provision by NGOs, assess the potential for expanding provisions, and make recommendations as to how USAID, the Ministry of Education, and NGOs could work together to develop a national preschool system. ■

Moving Away from Federal Support

ALL NON-PROFIT INSTITUTIONS TODAY face challenges in raising sufficient funds to accomplish their major goals. High/Scope is no exception to this basic reality. As the funding climate has changed, we have responded by moving gradually away from federal sources of funding, replacing them with non-federal sources while maintaining our basic annual income.

The chart below presents a five-year history of our experience. The chart shows the percentage of the budget in each major funding category for each fiscal year. The total annual income is listed at the bottom. The self-generated category consists of income obtained from activities such as seminars, workshops, and publishing by the High/Scope Press. The foundation category consists of monies received from private U.S. groups. The city/state category includes funds we have received from city or state government agencies. (Monies in this category may come from federal sources indirectly.) The international category represents funds from agencies overseas for work in the United States or foreign countries. Monies received from federal sources are listed last.

High/Scope has successfully moved away from substantial reliance on federal support to the point where now less than 50% of our budget is obtained from federal grants or contracts. It is certainly no coincidence that we passed below the milestone level of 50% at the beginning of the Reagan Administration, shifting from 64% in fiscal 1981 to 47% in 1982. However, the achievement of this milestone actually resulted from a longstanding trend; ten years ago approximately 90% of our budget was from federal sources.

The shift to non-federal sources has occurred as we have taken on more specialized projects, such as services to other foundations and applications of our knowledge and experience in overseas settings. It is clear that self-generated activities are producing an increasing part of our income. This self-generated support is very important because without such independent funds, we are unable to begin or support new work.

The shift to non-federal funding sources has not been without its difficulties. We have found that the private sector limits its support of indirect costs, creating significant operating problems for us. In addition, private agencies tend to make grants in much smaller amounts, and therefore support from multiple agencies is required for major pieces of work. Such coordinated support is not always easy to effect.

Nevertheless, we expect the trend outlined in this chart to continue. It is anticipated that expansion in the Foundation's work will primarily be in non-federal areas. We expect that the proportion of federal support for this forthcoming year will drop below 40% while revenues will increase approximately 10%. ■

High/Scope Revenue Sources

Category	Percentage of total income by fiscal year				
	1979	1980	1981	1982	1983
Self-generated	13	12	14	16	16
Foundation	10	5	7	12	14
City/state	9	7	7	15	12
International	6	9	8	10	11
Federal	62	67	64	47	47
Total revenues in millions of dollars	2.1	2.2	2.6	2.5	2.6

HIGH/SCOPE EDUCATIONAL RESEARCH FOUNDATION
600 North River Street, Ypsilanti, Michigan 48197 (313) 485-2000

APPENDIX 20

Betty Baldwin
10705 Weymouth
Garrett Park, MD 20766

February 22, 1984

Representative Ike Andrews
U.S. Congress
Washington, D.C. 20515

Dear Congressman Andrews,

Head Start was established to give children and their families a head start! Training for both families and staff is a big part of that effort. Recent national changes in the funding for training will eliminate the major Maryland/Delaware training and technical assistance system --- the Head Start Bi-State Training Office.

Health, Nutrition and Parent Involvement Coordinators who are meeting today want you to know that we object to this demise and fear that the consequences will be damaging to Head Start in our area.

Some of the services and support we have received from the Bi-State Office include:

1. coordinated training that responds to the various components, education, parent involvement, social services, health, and nutrition.
2. a Maryland/Delaware Head Start newsletter that provides training resources, local, state and national information and research on Head Start and related fields.
3. a resource library containing films, programs, information on national programs and approaches that increase programs' capacity to improve.
4. program monitoring and follow up to assure compliance with Head Start Performance Standards.
5. Linkages and networks among and between other agencies and programs that can provide services and encouragement to Head Start families.
6. a communication system that encourages the sharing of information and knowhow that stimulates program improvement and regeneration.

These are a few of the services that cannot be duplicated by the new funding system that will allocate training funds to individual programs to purchase training. The result will be a piece-meal, spotty, uncoordinated training pattern that will allow for program disintegration.

We disagree that individializing training will be cost effective. Program time will be wasted screening and choosing training resources, identifying their relevance to the program and sorting out the various contracts for training. In addition on-going monitoring and follow-up will not be possible if this change is made.

As program coordinators responsible for operating components of Head Start, we urge you, as a long time Head Start supporter & chairman of the responsible committee, to investigate this change and to conduct hearings as to its possible implications for Head Start. We recognize that not all regions and states have such a well managed, responsive, responsible training office and would therefore suggest that areas which want change be allowed the flexibility to try the new system but that our Bi-State area be allowed to continue with its current viable system.

Sincerely yours,

Beverly James
Betty Baldwin
Dale Mayer
Clara Parsey
Mary Jo Newman
Mary D. Smith
Geraldine Leopard
Lovetta Mason
Catherine Young
Selby Morris
Susan R. Sims
Howard T. Miller
Lowell W. Matthews

Nutrition Education for Parents
Title of Event
February 27, 1980
Date

NAME	POSITION OR PARENT (Identify)	PROGRAM	ADDRESS
1) [illegible]	[illegible]	[illegible]	[illegible]
2) Peggy Turner	PI/S Specialist	Baltimore City	2275 St. Paul St. Apt. Baltimore 21218
3) Beverly Jones	"	"	"
4) Dale M Jackson	Health/Handicap Coord	Mid Shore	PO 249 Centreville MD
5) Howard T. Miller	Resource Teacher	P.G. County	7101 Good Luck Rd New Carrollton, MD
6) Betsy Morris	Nutrition Coordinator	Mid Shore	[illegible]
7) Loretta Mercer	Parent Involvement	Mid Shore	PG P.T.A. Council
8) Clara Dorsey	H.B. Coordinator	Somerset Co.	Box 279 Hard Hartsman Mdg - Hughesville MD 20637
9) [illegible]	PT	[illegible]	[illegible]
10) Peggy DeGroat	Health Coordinator	Harford Co.	[illegible]
11) Susan R. Sims	Administrative Asst. Nutrition Coordinator	Montgomery Co.	[illegible]
12) Lovell Mathias Health		PG County	7101 Good Luck Rd New Carrollton, Md.
13) Mary Smith P.T.A.			[illegible]
14) [illegible]	[illegible]	[illegible]	[illegible]
15)			
15)			
17)			
18)			
19)			
20)			
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24)			
25)			

MARCH 2, 1984.

DEAR MR. IKE F. ANDREWS: I am writing concerning the reauthorization of the Head Start Program.

I am a Head Start parent and active volunteer. I put in many "in-kind" hours with the Head Start program every month and I see what a worthwhile program it is. Our particular Head Start budget is extremely tight but we still manage to have a quality program.

I am interested in seeing Head Start reauthorized for a 5-year period. This is a deserving program and one I think the tax payers want to see continued on a more permanent basis.

Thank you for this opportunity.

Sincerely,

BETTY J. ALBERTSON.

NATIONAL INDIAN HEAD START DIRECTORS ASSOCIATION,
Tahlequah, OK, March 13, 1984.

MICHELLE D. STENT, *Legislative Counsel, Subcommittee on Human Resources, Rayburn House Office Bldg., Washington, DC.*

DEAR MS. STENT: Enclosed are copies of the resolutions submitted by the National Indian Head Start Directors' Association to the National Head Start Association in April, 1982; opposing the ANA Cooperative Management Initiative and the transfer of USDA/CCFP funds into the Head Start budget.

I've also enclosed copies of our Association's updated resolutions passed 8 March, 1984 that re-affirm our original position of 1982.

I'd be appreciative if you would make sure that copies of these resolutions are forwarded to all members of your committee for their information.

I thank you for your cooperation and assistance.

Sincerely,

BOBBI FIREBUSH, *President.*

NATIONAL COMMITMENTS

Whereas, We, the members of the National Indian Head Start Directors' Association, are most concerned that the Administration for Native Americans and the Head Start Bureau have continued to support and encourage the acceptance by Indian Tribes of the Cooperative Management Initiative; and

Whereas, many Tribes and the Head Start programs for which they are grantees continue to have serious concerns regarding the long range outcome of said initiative; and

Whereas, there is documentation of detrimental outcomes for some Tribes and their Head Start programs resulting from their entry into this initiative; and

Whereas, there continues to be serious concern regarding the potential dilution of the integrity of Head Start programs and the potential dissipation or disregard of Tribal Sovereignty by this initiative: Now therefore, be it

Resolved, that the National Indian Head Start Directors' Association reaffirms its opposition to the Cooperative Management Initiative as stated in its resolution to the National Head Start Association in April, 1982.

This resolution was adopted by the Governing Board for the National Indian Head Start Directors' Association by unanimous vote March 8, 1984.

NATIONAL COMMITMENTS

Whereas, we, the members of the National Indian Head Start Directors' Association, represent Indian Head Start Grantees providing comprehensive services to almost 13,000 Indian children; and

Whereas, the Head Start program is recognized as a proven cost-effective model for the delivery of comprehensive services for preschool age children; and

Whereas, the participation of a limited number of Tribes in the Cooperative Management Initiative process interferes with the Indian Head Start programs ability to maintain and develop cohesiveness amongst these programs; and

Whereas, Indian Head Start programs have been funded from the outset on a continuing grant basis and the Cooperative Management Initiative funds on a competitive basis which would require Tribes to compete one with another, thus creating artificial barriers between programs; and

Whereas, the Head Start Policy Councils were not consulted on the use of Cooperative Management Initiative as a change in the Head Start funding process, and implmentation of the Initiative would disorganize Indian Head Start programs because of alienation from existing Head Start regulations and objectives; and

Whereas, the Cooperative Management Initiative has not adequately addressed many specific concerns on the relation of the Inidan and Migrant Programs Division and the Administration for Native Americans in the administration and management of Indian Head Start grants: Now therefore, be it

Resolved,

1. That Indian Head Start Programs remain on a continuous categorical basis for provision of comprehensive services for Indian children; and

2. That the Indian and Migrant Programs Division continue as the agency responsible for all aspects of management and administration of Indian Head Start programs; and

3. That we reaffirm the role and responsibility of Tribal Governments and Parent Policy Councils in the Head Start granting process.

Submitted to and adopted by the National Head Start Association during the general membership meeting held in April, 1982.

RESTORATION OF FUNDS TO USDA/DDFP

Whereas, we, the members of the National Indian Head Start Directors' Association, realize that Head Start programs are committed to providing quality nutrition services to all Head Start children; and

Whereas, historically, these services have been supported by reimbursement from USDA through CCFP; and

Whereas, this arrangement has provided an increase of said funding on a regular basis to enable programs to keep pace with the cost of living; and

Whereas, the Congress of the United States has previously determined (Head Start Appropriations, FY '84) that these funds should not be co-mingled and co-mingling of these funds would effectively reduce the dollar amounts of funds available to programs for nutrition service: Now therefore, be it

Resolved: That the National Indian Head Start Directors' Association reaffirms its adamant opposition to the transfer of funds from the United States Department of Agriculture/Child Care Food Progarm to the Head Start program as is written in the proposed Presidential Budget for FY '85.

This resolution was adopted by the Governing Board for the National Indian Head Start Directors' Association by unanimous vote March 8, 1984.

RESTORATION OF FUNDS TO USDA/DDFP

Whereas, we, the members of the National Indian Head Start Directors' Association, are involved with providing the most comprehensive early childhood program possible serving the *whole* child; and

Whereas, it has been well documented in research literature that inadequate nutrition interferes with normal development and learning capacity of young children; and

Whereas, meals that provide adequate nutrients are an essential part of the comprehensive service delivered by Head Start programs, and provide Indian children with a significant portion of their daily dietary needs; and

Whereas, present economic hardship has severely weakened the ability of Indian families to provide adequate nutrition to their children; and

Whereas, the United States Department of Agriculture (USDA) has reduced the reimbursement levels for meals served to Head Start children under the Child Care Food Program (CCFP): Now therefore, be it

Resolved: That we urge Congress to restore all funds to the United States Department of Agriculture for the Child Care Food Program.

Submitted to and adopted by the National Head Start Association during the general membership meeting held in April, 1982.

SANTEE SIOUX,
HEAD START PROGRAM,
Niobrara, NE, March 16, 1984.

Mr. IKE ANDREWS,
Chairman, Subcommittee on Human Resources,
Rayburn House Office Building, Washington, DC.

DEAR SIR: I am writing to express our concern regarding three issues which directly and indirectly affect our Head Start program here in Santee.

First, the Cooperative Management Initiative proposed by the Department of Health and Human Services. We are opposed to this initiative because we believe cooperatively managing three unrelated programs in this manner will dilute the focus of each of the programs and could potentially cause them to compete with each other. This would be very detrimental. We are also opposed to it because it grew out of bureaucratic needs in Washington, not out of local needs for such an initiative. There has been no apparent Tribal input and the departments attitude has been very forceful in trying to involve Tribes where no interest has been shown. Self-determination and Tribal sovereignity has been virtually ignored.

Second, recently the Head Start Bureau has begun implementation of a reorganization which will virtually eliminate the Indian and Migrant Programs Division of Head Start and replace it with two desks which will no longer be a division, as such. We view this as a demotion and again object to this change. We wish the Indian and Migrants Programs Division to be maintained as a division with a divisional status. In addition we object to the Head Start Bureau status being changed so that the Bureau Chief will become a political appointee. We wish people, experienced in Head Start with an understanding of the needs of children only to be in these positions—not political appointees.

Third, with all of these changes, there has also been a change of the T/TA structure of this area. The Office of Indian Child Services has effectively served our training and technical assistance needs in recent years in a very cost effective manner. The action of direct funding our program will seriously hurt our ability to provide quality training for staff through the most effective method—cross sharing resources and cluster workshops. Where before, through the OICS, we were able, through sharing, to do this—now with so little money and limited local resources, it will be difficult. We wish the proven training delivery model to be reinstated.

We felt it important to let you know how we felt and hope that you will advocate for these concerns. The health, quality and future of our children depend on it.

Sincerely,

DIANE LA POINTE, *Chairperson.*

Port Isabel, TX,
MARCH 21, 1984.

Chairman IKE ANDREWS,
House Education and Labor Committee, U.S. House of Representatives, House Office Building, Washington, DC.

DEAR SIR: Stand firm, please, against the drive by the Administration to close *Head Start* programs. Head Start is one of the shining lights among our social programs. I have seen the change it can bring in the life of our young children—young minds absorb so much so quickly and we must assure the families they will have help. It's like watching a rose open in bloom, to see these children learn to interact with each other and visit such simple things as a zoo or a dairy or to learn how to color pictures of these activities.

I am writing to my Representative, Mr. Ortiz, to ask that he support this program.

Sincerely yours,

JODI CORRIE.

COMMUNITY ACTION COMMITTEE,
Knoxville, TN, March 28, 1984.

Representative IKE ANDREWS,
U.S. House of Representatives, Room 2201; Rayburn House Office Building, Washington, D.C.

DEAR REPRESENTATIVE ANDREWS: As Chairman of the Knoxville-Knox County Community Action Committee, I wish to express our appreciation for the stands you take in sponsoring legislation that supports humanitarian causes.

H.R. 5145 would be an excellent weapon to combat the problems of malnutrition, hunger, homelessness, and unemployment.

H.R. 5145 would maintain three (3) core programs: Head Start, LIEAP, and CSBG for our CAA to continue developing solutions to the many family and individual problems.

Sincerely,

THOMAS M. PARKHILL, *Chairman.*

KNOX COUNTY GOVERNMENT,
Knoxville, TN, March 28, 1984.

Representative IKE ANDREWS,
U.S. House of Representatives, Room 2201; Rayburn House Office Building, Washington, D.C.

DEAR REPRESENTATIVE ANDREWS: Your continued interest and sponsorship of legislation that supports humanitarian causes is very much appreciated.

Malnutrition, hunger, homelessness, and unemployment are significant problems in our community. Your strong support and leadership in passing H.R. 5145 would maintain three (3) core programs: Head Start, LIEAP, and CSBG for our CAA to continue developing solutions to these family and individual problems.

Sincerely,

MAX WOLF, *Commissioner.*

KNOX COUNTY GOVERNMENT,
Knoxville, TN, March 28, 1984.

Representative IKE ANDREWS,
U.S. House of Representatives, Room 2201; Rayburn House Office Building, Washington, D.C.

DEAR REPRESENTATIVE ANDREWS: Your continued sponsorship of legislation that improves the quality of life for the poor, the elderly, and the children in Tennessee is very much appreciated.

As an elected official, I am very concerned about the hunger, homelessness, and unemployment that are still significant family and individual problems in our community.

H.R. 5145 would maintain three (3) basic programs: Head Start, Low Income Energy Assistance Program, and Community Services Block Grant. These would be effective tools for solutions to many of our problems.

H.R. 5145 is what we need.

Sincerely,

JOSEPH E. ARMSTRONG,
Commissioner.

NATIONAL HEAD START ASSOCIATION
E. Bradenton, FL, March 28, 1984.

Congressman IKE ANDREWS,
U.S. House of Representatives, Rayburn Office Building, Washington, DC.

DEAR CONGRESSMAN ANDREWS: I would like to thank you most sincerely for the support and concern you have given the Head Start Program over the years. I would especially like to thank you for sponsoring House Bill 5145. The important and very positive changes stated in the Bill will enrich and enhance the integrity of the Head Start Program.

We are hopeful that the Bill will have a speedy mark-up and quick floor action. I am confident that with your leadership this will happen.

Again, my sincerest thanks for all of your diligent work and genuine regard for the Head Start Program.

Sincerely,

NANCY SPEARS,
Chairperson,
Education and Information Committee.

COMMUNITY ACTION,
Lexington, KY., April 3, 1984.

Representative IKE ANDREWS,
U.S. House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE ANDREWS: Thank you for your defense of and support for the efforts of community action agencies in the recent hearings by the House Subcommittee on Human Resources regarding H.R. 5145.

I know that you are aware of the extreme difficulties and hardships faced by poor people during the past few years. In this and other communities, the community action agencies have often been the last resort in meeting severe family crises, particularly in terms of basic needs such as home heating. Despite dwindling federal support for anti-poverty programs, the community action agencies continue to respond to needs, often at considerable personal sacrifice by their employees.

We appreciate your support and concern.

Sincerely,

WANDA THOMAS,
Chairman, Board of Directors.

PINAL-GILA COMMUNITY CHILD SERVICES, INC.,
MARICOPA HEAD START,
Coolidge, AZ, April 3, 1984.

DEAR REPRESENTATIVE ANDREWS: I am writing on behalf of the Maricopa Head Start program.

As a mother of a Head Start student I am expressing my strong support for H.R. 5145. I feel Head Start is an important program for the children.

I would also mention that we oppose the transfer of Head Start's food monies from the Child Care Food Program and urge you to oppose the transfer if included in any bill affecting Head Start.

If you are ever in our small town of Maricopa, please feel free to stop by and visit.

Thank you very much.

Sincerely yours,

ODILIA MANRIQUEZ,
Secretary-Treasurer.

SOUTH BRONX HEADSTART PROGRAM,
Bronx, NY, April 9, 1984.

Representative ANDREWS,
U.S. House of Representatives, House Office Building, Washington, DC.

DEAR REPRESENTATIVE ANDREWS: We the parents of South Bronx Headstart want to take the opportunity to thank you for introducing Bill 2374 for the Reauthorization of Headstart. As you may already know there is a real need in the community to maintain quality service to children and families and build on its effective resourceful record. We will be writing to our Representatives and Senators that are members of the Budget Committee and urge them to include funds to allow a 200 million dollar increase in Headstart in the FY 1985 Budget resolution.

Chairman of the Labor and Human Resources of relevant subcommittee to oppose the transfer of Headstart food funds from CCEP to Health, at this point we are asking you to move the Bill to the House floor as soon as possible.

Thanking you again for your support.

TERESA RAIMON,
Parent of South Bronx Headstart.

CAP SERVICES, INC.,
Stevens Point, WI, April 9, 1984.

Representative IKE ANDREWS,
House of Representatives, Rayburn House Building, Washington, DC.

DEAR CONGRESSMAN: On behalf of myself and CAP Services, the Community Action Agency which serves four rural central Wisconsin counties, I would like to thank you for your work on behalf of the Community Services Block grant Program over the past three years. Without your vital assistance, it is clear that low income people would have had a much tougher "row to hoe".

40-570 O - 85 - 12

Although many people assume the poverty situation is improving with the economy, in our area we find there is actually increasing need as more and more households exhaust their unemployment insurance benefits and become low income. When traditional welfare services are offered these people, they are reluctant to accept them because of the dependence it fosters. As a result, these households turn to agencies like CAP Services which assists them in dealing with their problems so as to promote self sufficiency.

CAP Services uses its CSBG funds to work with many different private and public sector organizations in its efforts to help low income people. In Portage County, CAP is working with the local hospital to help laid off licensed practical nurses obtain the additional training they need to become registered nurses so they can be rehired. In Waushara County, CAP works with a local utility to offer "electric usage" audits in an effort to help low income consumers identify electricity wasters in their homes to reduce power bills.

Use of CSBG funds for innovative programs to combat poverty is prevalent here at CAP Services and throughout Wisconsin. This is why the CSBG is so important to us, and why we greatly appreciate your endeavors on its behalf. As you prepare for the upcoming budget battles, please remember there are many people in central Wisconsin who echo our appreciation.

Sincerely yours,

KARL S. PNAZEK,
Executive Director.

KLAMATH FALLS, OR,
April 11, 1984.

Hon. IKE F. ANDREWS,
Chairperson, Human Resources Subcommittee, Rayburn House Office Building, Washington, DC.

DEAR REPRESENTATIVE ANDREWS: Thank you for understanding Head Start and seeking to uphold the high performance standards of the program, as evidenced by the contents of H.R. 5141 now being written by your subcommittee. As a parent with a daughter enrolled in Head Start, I appreciate your efforts on this bill.

I personally think the Head Start program has done an an excellent job of educating both parents and children.

As a parent I have had the opportunity to learn more about the resources available in the community to enrich mine and my family's lives. Through the parenting classes I have learned new ways of confronting and dealing with the many problems of being a single parent. My employment opportunities have increased because of the experience and knowledge gained volunteering in the program.

I am happy with the progress my daughter has shown in asserting herself when playing with other children. Before entering the Head Start program she tended to focus her attention on adults rather than joining other children in play. I feel this progress is due to the excellent training Head Start gives its teachers and staff.

Your help in getting this bill passed swiftly will be greatly appreciated.

Sincerely,

KAREN FREY.

WABASH VALLEY HUMAN SERVICES,
Vincennes, IN, April 11, 1984.

Hon. IKE F. ANDREWS,
U.S. House of Representatives, Rayburn House Office Building, Room 2201, Washington, DC.

DEAR REPRESENTATIVE ANDREWS: On behalf of the Board of Directors, staff and clients I express our appreciation to you for your support of the Community Services Block Grant (CSBG).

I commend you for your sensitivity to the importance of the CSBG to rural Community Action Programs. I am amazed by the lack of knowledge that is demonstrated at times by your colleagues when they indicate they support Head Start, Women, Infants and Children (WIC), Family Planning, and Weatherization, but do little to support the CSBG either by reauthorization or increased funding. Rural CAP's administer a variety of programs, often we are the primary provider of social services, yet without the CSBG few rural agencies would be able to continue to exist without this important funding. Without hesitation I can tell you Head Start, WIC, and Family Planning would not be available to our communities if it were not for the

continuation of the CSBG. In addition the CSBG has allowed us the necessary outreach to provide a variety of supportive services to the poor of our area, including the intake responsibilities for the categorical programs referenced above.

For your information Wabash Valley Human Services, formerly the Economic Opportunity Committee of Daviess, Greene, Knox and Sullivan Counties, Inc., during the ten years I have served as Executive Director has been responsible for in excess of twenty-five million dollars of public funds with no audit exceptions. I am sure you will agree that is a record of which to be proud, however based upon my knowledge I know many CAP's have such a record. Now if only the Federal, State and local governments could become equally as accountable with their use of public funds.

In conclusion, I also want to make you aware that as a result of funding reductions two of our rural counties no longer have Family Planning services available within their counties. Unfortunately thousands of Indiana residents do not have direct access to these services, as well as, other programs such as Head Start, WIC, Weatherization, and Outreach due to the fragmented delivery systems and/or reduced dollars to support continuation or expansion of these services. To me it is morally unacceptable that not only is it important in America that you are born into affluent households, however if you are not so fortunate you need to be concerned that your parents live in a county or a state where such services are accessible to you.

Again I sincerely appreciate your support of the CSBG, and your sensitivity of the importance of this funding to small rural agencies. We encourage you to keep attention focused upon domestic problems so that all Americans can enjoy the quality of life we believe is ultimately possible.

Warmest personal regards,

GARY SMITH, *Executive Director.*

P.S.—Your support has been so important. Thank you again.

McDONALD'S RESTAURANT,
Alliance, NE, April 12, 1984.

Represetative IKE ANDREWS,
Rayburn Office Building, Washington, DC.

DEAR REPRESENTATIVE ANDREWS: Thank you for introducing H.R. 5145 which assures the continuation of the Head Start Program for 5 years.

The ability of Head Start to provide quality and effective services to children and families will be strengthened by the minor changes in the bills.

Head Start has proven to be an effective and successful program in the past, but there is a constant need to help parents realize that they are the principal influence of their child's development. Head Start has been very beneficial to single and teenage parents by providing them with guidance to enhance their parenting skills.

The continuation of the technical assistance and training provided to Head Start staff in the past, is necessary if Head Start is to continue to educate parents and provide activities to promote child growth and development.

Thank you for your support of Head Start and the bill H.R. 5145.

Respectfully,

HALLY MEIRICK,
Store Activities Representative.

MORNINGSIDE COMMUNITY CENTER, INC.,
HEAD START PROGRAM,
New York, NY.

DEAR SIR: I am a parent at Morningside Head Start.

I will like thank you for introducing the bill No. H.R. 5145.

I feel that the technical changes included in the bills will strengthen the ability of Head Start to continue to deliver effective and quality services to children and families, and enable it to build on it.

However I do oppose the transfer of Head Starts food monies from the child care food program to Head Start and I do oppose the transfer if included in any bill effecting Head Start.

VIVIAN HORTON.

BROOKLYN, NY, *April 13, 1984.*

Representative IKE ANDREWS,
U.S. House of Representatives, House Office Building, Washington, DC.

DEAR CONGRESSMAN ANDREWS: I am writing to thank you for Co-Sponsoring the H.R. 5145 Bill. In this time of economic on certainty, it is comforting to know their are people in Congress who are fighting for our children's best interests. Many persons in the New York City Head Start Community would very much like to see the bill move as quickly to the House floor as possible. Could you possibly facilitate this action as soon as it is feasible? So the action can be voted on & hopefully passed. Thank you for your considerate support.

Sincerely yours,

DORRELL E. MAINER.

COMMUNITY ACTION AGENCY OF TALLADEGA, CLAY AND RANDOLPH COUNTIES,
Talladega, AL, April 16, 1984.

Representative IKE ANDREWS,
Rayburn House Building, Washington, DC.

DEAR SIR: The Talladega, Clay, Randolph Community Action Agency is now in its 19th year of operation. Through these many years of service to the poor and low income families of these three counties, we have seen and we know of thousands of poor people that have been helped in their hour of need. There are no other agencies that can serve these people to help them meet their many different needs such as; when there is a crisis where there is no food in the house, heating gas is discontinued due to non-payment, when there is no income in the family. Senior citizens out of L. P. gas and no funds to purchase gas in cold winter.

Governor Wallace had to turn to the Community Action Agencies of Alabama to handle the distribution of USDA Products; Cheese, Butter, Milk, Meal and many other products because Department of Pensions and Security tried it and failed in operating the program to deliver hundreds of tons of food to the poor and low income families.

There is no other agency that services the USDA Program. It requires many hours of planning and recruiting volunteers, to operate this program which the Community Action Agencies receives very little compensation.

Governor Wallace turned to the Community Action Agencies to handle the LIHEAP Program in Alabama which was a tremendous program this winter. We are sure the Community Action Agency will be asked to handle the same program next winter. There is no other agency that operates this program. Department of Pensions and Security failed again.

Department of Energy asked the Community Action Agencies to operate the program of Weatherization and in our three counties thousands of low income homes have been weatherized. No other agency can operate the program.

Through the Gardening Program we have furnished hundreds of low income families seeds and plants to produce thousands of dollars worth of foods. This program is evaluated by the County Extension Offices in each county.

Transportation is one of the greatest problems of the low income Senior Citizens. We have four Vans throughout the three county area that transport these Senior Citizens without pay.

The State Board of Education asked the Community Action Agency to help with the Child Care Feeding Program. Some 35 families keep 166 children from low income families and feed them well balanced nutritious meals. We coordinated this program.

From a fiscal report the Talladega, Clay, Randolph Community Action Agency has never had an exception from any auditors, therefore as the Board of Directors of the Talladega, Clay, Randolph Community Action Agency, we appreciate your introduction of Bill H.R. 5145—Human Services Reauthorization Act and your continued support in order for CSBG services to be continued in our three county area.

Sincerely,

Robert S. Limbaugh, Board Chairman, C. R. Staples, Mollie R. Dates, D. P. Henley, R. G. Smith, Harold C. Weaver, Sr., Jim T. Willingham, Randolph County Commissioner, Clarence Davis, C. W. Carpenter, Probate Judge of Clay County, William Hurst, Arthur S. Oliver, Meek Huey, E. L Wynn, Mayor of Ashland, AL, M. D. Sinis, W. F. Jackson, Vicie Lewis, Mayor Larry Barton, John L. Taylor, Willie Cross, Lucille Cooley, Kyser Leonard, Jack Whatley, Billy Morris, Sheriff of Clay County, George Limtaugh, Henry Beman, Mayor of Roanoke, Olin E. Sheppard, Bob Kirby, Probate Judge, Randolph County, W. C. Lumpkin, Mayor of Wedowee, AL.

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Mr. Clinert Staples, Lineville, AL 36266, Chairman, Headstart Policy Council.
Mr. Harold Weaver, Route #2, Box 223, Wedowee, AL 36278, Retired Veteran.
Mr. Clarence Davis, 504 Jackson Street, Talladega, AL 35160, Laborer.
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Mrs. Vicie Lewis, 119 14th Street, Talladega, AL 35160, Representative of the poor.
Mr. Jasper Humphries, Route #7, 188A, Talladega, AL 35160, Poor.
Mr. Kyser Leonard, 412 Talladega Avenue, Talladega, AL 35160, Goodwill Club of Talladega.
Mr. Meek Huey, Wedowee, AL 36278, Retired Teacher's Assoc. of Randolph County.
Mr. William Hurst, 504 Oak Circle, Talladega, AL 35160, National Assoc. of Retired Federal Employees.
Mr. George Limbaugh, First Alabama Bank, Talladega, AL 35160, Chamber of Commerce.
Mr. Willie Jackson, Route #4, Box 1316, Sylacauga, AL 35150, Sylacauga Parks & Recreation Board.
Mr. Robert Limbaugh, 701 1st S.W., Childersburg, AL 35044, First Methodist Church.
Mr. Pat Henley, Route #5, Lake Front Estates, Talladega, AL 35160, Hepzibah Church.
Reverend Olin Sheppard, 263 Guy Street, Roanoke, AL 36274, Roanoke Lions Club.
Mrs. Marie Player, 1309 W. Battle Street, Talladega, AL 35160, Mt. Canann Baptist Church.
Mr. Millard Sims, 1103 Virginia Avenue, Talladega, Alabama 35160, Talladega Lions Club.
Sheriff Billy Morris, 2nd Street, Ashland, AL 36251, Sheriff, Clay County.

NORTH EAST KINGDOM COMMUNITY ACTION, INC.,
Newport, VT, April 16, 1984.

Representative IKE ANDREWS,
Rayburn House Building,
Washington, DC.

DEAR REPRESENTATIVE ANDREWS: Just a note expressing our thanks for your fight for CSBG. Here in the pucker brush of northern Vermont, CSBG offers the only funds available for serving the needs of our large low income community. We have no Salvation Army or United Way which makes Community Action that more necessary, and men like you invaluable.

Sincerely,

JAMES H. KEENEY,
Executive Director.

BUFFALO, NY,
April 16, 1984.

The Hon. IKE ANDREWS,

DEAR SIR: How noble and committed of you to introduce H.R. 5145 to the House for condideration—and hopefully passage in the Congress.

Along with you, thousands of community and resource volunteers in the local Program, are supporting its successful end.

Sincerely,

MARY CHAPPELLE.

HEAD START,
Pocatello, ID, April 16, 1984.

Hon. IKE ANDREWS,
House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE: I want to thank you for your support of Head Start. I would urge you to continue this support by co-sponsoring H.R. 5154, which re-authorizes Head Start for five (5) years. I feel the minor technical changes in the Head Start provisions significantly strengthen the integrity of Head Start. We want to continue to deliver effective and quality services to children and families.

I would appreciate your awareness of any bill affecting Head Start. Which requests the transfer of food monies from the Child Care Food Program to Head Start. I urge you support in opposing this transfer.

It is my hope that the bill will be moved to the House floor as soon as possible.

Yours very truly,

NANNETTE SIEMEN, *Director.*

MID-STATE OPPORTUNITY, INC.,
Charleston, MS, April 16, 1984.

Representative IKE ANDREWS,
Rayburn House Building,
Washington, DC.

DEAR REPRESENTATIVE ANDREWS: Once again we would like to offer our sincerest thanks to you for your continued leadership and support of Community Services and the low income population we serve.

Your name is continually mentioned sponsoring and supporting legislation vital to community action's survival.

Please continue the good work and if we can ever be of any assistance to you in this area, please do not hesitate to call on us.

Sincerely,

HELEN H. BELL, *Executive Director.*

CARTERET COMMUNITY ACTION, INC.,
Beaufort, NC, April 17, 1984.

Representative IKE ANDREWS,
Rayburn House Building,
Washington, DC.

DEAR REPRESENTATIVE ANDREWS: Thank you for sponsoring again the continuation of Community State Block Grant funding. There must be special places in heaven for people concerned with the poor.

I guess Abe Lincoln was right when he said something like, "God must have loved poor people. He made so many of them."

We appreciate your constant thoughtfulness of the poor.

Sincerely,

LEON MANN, Jr., *Director.*

MASON COUNTY ACTION GROUP, INC.,
Point Pleasant, WV, April 17, 1984.

Hon. IKE ANDREWS,
Rayburn House Building,
Washington, DC.

DEAR MR. ANDREWS: Thank you for your leadership in supporting the welfare of our low income people. We need more people serving in the government, who care about the poor and needy people of our country.

Sincerely,

MS. GENE SALEM,
Director.

COMMUNITY ACTION CORP.,
WICHITA FALLS AND NORTH TEXAS AREA,
Wichita Falls, TX, April 17, 1984.

Representative IKE ANDREWS,
Rayburn House Building,
Washington, DC.

DEAR REPRESENTATIVE ANDREWS: Recent years have been particularly hard for low-income families in this area, but thanks to your leadership on behalf of the Community Service Block Grant Program, they have not been as difficult as they would have been otherwise.

I want to express my appreciation for all that you have done on behalf of the low-income people during these hard times. You are to be commended for your courage to stand up and speak out on behalf of the poor at a time when such actions were not popular.

Sincerely,

HERBERT L. TABER,
Director of Operations.

WASH CENTER III, *April 17, 1984.*

DEAR SIR: I am expressing my strong support for the bill H.R. 5145 and I am asking you to cosponsor the bill if you have not already done so. I feel that the minor technical changes included in the bill significant strengthen the ability of Head Start to continue to deliver effective and quality services to children and families and to build on its successful track record. I oppose the transfer of Head Start food monies from the child care food program to Head Start. I urge you to oppose the transfer if included in bill affecting Head Start.

Thank you.

CORNELL MALLARY.

BICKMORE, WV, *April 17, 1984.*

DEAR CONGRESSMAN ANDREWS: I would like a few minutes of your time to express some of my feelings to you about Head Start programs.

My name is Barbara Stone. I have a daughter who attends Clay County Head Start. I serve on Policy Committee and also on Policy Concil. At the last Policy Council meeting I attended on April 16, 1984 it was brought to the attention of all the Policy Council members two bills that were being introduced, one by the House, and one by the Senate, about Head Start programs.

I would like to say a few things about Head Start and what it means to me. I have been involved with my local Head.

Start in various ways since my daughter started her first day. I have spent a lot of hours as a classroom volunteer and have participated in as many projects and activities as time would allow me. Some days I would wish there were more hours in a day. Head Start is a great opportunity for the children and their parents both to learn and enjoy new experiences together. Parent involvement plays a role in Head Start and I believe an important one. Our Head Start program has gotten many parents involved and Head Start provides a way for a child's parents to become actively involved in their child's early development and learning. When a child enters

the public school system, Kindergarten through 12th grade, parents don't have as much opportunity to interact with their child's education. Whereas, with Head Start the parents are given the opportunity to be a significant part of their child's education by being a classroom volunteer and in many other ways that a public school system doesn't allow. When parents can become actively involved with a child's development, the parents can get a better understanding of themselves and also of the child and what they can do to help the child away from Head Start and at home.

The Head Start program is the only such program that I am aware of that really allows so much parent involvement and input with a child in an educational sense. Head Start has many good sound ideas. It teaches the children a lot of basic ideas, not so much by just telling the children, but they teach them through experiences and what I call roundabout ways. The children at that age need a more simpler way of learning so they can comprehend the material better and Head Start provides just that. Head Start is, in my opinion a great success in early childhood development for children of the 3 to 4 yr. age group. Head Start builds up the children's self-respect and teaches them to express themselves in various ways.

I am truly hoping that the House bill to reauthroize Head Start for five years will be passed. Head Start programs are really needed now and in the future also. Head Start provides early childhood development and allows for parents to be actively involved with the child's development at Head Start. I truly hope the House bill will be passed.

Thank you for your time.

BARBARA STONE.

WASHINGTON, DC, *April 18, 1984.*

DEAR (D) Rep. Andrews: I am writing you to tell you to please don't cut out our program. Head Start put me really on my feet. I was on the welfare, and I didn't have any furnitures in my home until Head Start hired me to be an aide. Nor did we have little of food from month to month. I am also a Head Start formal parent that is how I got my beautiful job as an aide. I put so many hours in the the program and the hours really help me to get hired. Please don't put me back on the welfare, waiting once a month for food stamps and checks.

Sincerely yours,

MILDRED HANELY.

BLAIR COUNTY ECONOMIC OPPORTUNITY COUNCIL,
Altoona, PA, April 18, 1984.

Representative IKE ANDREWS,
Rayburn House Building, Washington, DC.

DEAR REPRESENTATIVE ANDREWS: The inclusion of the Community Services Block Grant in H.R. 5145 is greatly appreciated by the Blair County Community Action Agency.

Blair County, Pennsylvania presently is experiencing 13.8% unemployment in addition to the many other problems created by harsh economic conditions.

The Community Action Agency is the agency administering the Energy Crisis Program and is a leading agency for the Federal Emergency Management Agency Programs. The continuation of the Community Services Block Grant is vital to this county.

On behalf of our population of 22,176 people living below the OMB poverty guidelines I thank you. Your support of our mission is greatly appreciated.

Sincerely yours,

JAMES H. PRITCHARD,
Executive Director.

DISTRICT XI HUMAN RESOURCE COUNCIL,
MISSOULA COUNTY, MISSOULA,
MINERAL COUNTY, SUPERIOR,
ROVALLI COUNTY, HAMILTON, MT,
April 18, 1984.

Representative IKE ANDREWS,
Rayburn House Building, Washington, DC.

DEAR REPRESENTATIVE ANDREWS: I am writing to express my appreciation of your continued support of the Community Services Block Grant and of low income issues in general. I am sure that I can speak for the low income, elderly and handicapped of Western Montana in this as well.

We are supportive of the efforts of yourself and others in the introduction of H.R. 5145. We are proud of Pat Williams' early cosponsorship. He has been a true friend of the poor, the elderly and the working person through times when that friendship required extraordinary courage and strength.

I would like to assure you that persons across this country are aware that it has only been through the efforts of decent and courageous Congresspersons, like yourself and Pat Williams, that the last vestiges of the Great Society have been saved from the mean-spirited attacks of those with reactionary political agendas.

We know that you will keep up the fight and assure you that you can count on our continued support.

Sincerely,

LOREN LUTZENHISER,
Acting Executive Director.

CAPITAL AREA COMMUNITY SERVICES,
Lansing, MI, April 19, 1984.

Hon. IKE ANDREWS,
U.S. Representative, Rayburn House Office Building, Washington, DC.

DEAR REPRESENTATIVE ANDREWS: I would like to personally thank you for your courage and continued support for community action agencies (CAAs). Your introduction of HR 5145 once more, has demonstrated your sincere interest in CAAs and those to which we provide assistance. On behalf of the Board of Directors of Capital Area Community Services, the agency's staff members, and the 14,000 persons which our agency assisted last year, I would like to thank you for your leadership and support of community action agencies.

Sincerely yours,

IVAN W. LOVE, Jr.,
Executive Director.

ILLINOIS VALLEY ECONOMIC DEVELOPMENT CORP.,
Carrollton, IL, April 19, 1984.

DEAR REPRESENTATIVE ANDREWS: I am writting in regards to House bill 5145. I work for Ill. Valley Econ. Dev. Corp., in Greene County. I was on public aid the mother of 6 children, I help to start IVEDC, serving on the Board in 1966, and then was hired. I have worked since June of 1966. My office is in the courthouse at Carrollton. I couldn't possibly tell you how many people that our Agency has been able to help in all these years, but I do know, that anyone who needs help of any kind comes to see me. We now have a double center of Head Start Children enrolling 30. I alway have a writing list of children that needs this service. Our weatherization list of people to be helped is quite large. Our I Help Program this year was so great that our funds ran out in three days. We need more Emergency Help, due to the cost of bills in our area. We have some people shut off and that upsets me.

Our club house keeping program is going very well.

Our Senior Citizen Program is going very well. When we lost our funding for Meals on Wheels, 3 years ago. I was able to get the township & city of Carrollton to donate the salary & mileage of an employee to deliver them. In the other 3 towns, Roadhouse, White Hall, and Greenfield, we were able to get Volunteers to deliver these meals for us.

Meals on Wheels is a great thing for these house bound seniors. 84 meals each day: 23, Roadhouse, 20, Greenfield, 20, W Hall; and 21, Carrollton.

I help seniors fill out the circuit breaker form.

Last week through our CSBG grant. I was able to buy food for a (working) non DPA mother, whose home burn. I was also able to get her 2 uniforms for her nurse's aid work & gasoline for her car to get back & forth to the nursing home. She is a Head Start Mother.

Maybe this sounds like I am blowing my own horn. I don't mean for it to sound that way. But I do love my job & I do work hard at it.

These poor people do need your help in funding what is needed for them

Thank you very much.

MARGARET LAKIN.

APRIL 19, 1984.

To: Representative Ike Andrews.
From: Samuel A. & Linda L. Benyi.
Re Head Start Reauthorization and the President Budget.

As parents of a child in the Head Start Program, we are supporting the Bill H.R. 5145. We also thank you for your support of this bill and urge you to gain the support of your fellow representatives.

Lack of funding would have denied our child the opportunit, to receive the much needed help he required and needed to proceed to a normal public school if our child had not received the opportunity to attend Head Start, his ability physical, emotional, social and academic would not have been reached the normal point of life where a normal five (5) year old should be.

Very sincerely yours,

SAMUEL A. & LINDA L. BENYI.

NATIONAL GOVERNORS' ASSOCIATION,
April 20, 1984.

Hon. IKE ANDREWS,
Chairman, Subcommittee on Human Resources, Committee on Education and Labor, U.S. House of Representatives, Rayburn Building, Washington, DC

DEAR CHAIRMAN ANDREWS: The National Governors' Association (NGA) supports reauthorization of the Community Services Block Grant (CSBG) with continuing support for state offices of economic opportunity. We do not therefore, support consolidation of CSBG with the Social Services Block Grant as was apparently implied by Dr. Harvey Vieth, Director, Office of Community Services, in his March 21 testimony on H.R. 5145.

While it is true that an NGA report shows that CSBG funds in FY 1982 accounted, on average, for only twelve percent of community action agency funding, the loss of those funds could have a serious negative impact on the ability of those agencies to operate. Moreover, we found many agencies where the percentage was higher, and thus more critical for them.

In addition, the testimony stated that most governors oppose the pass-through provision in the CSBG Act. While it is true that the states would clearly support additional flexibility in the administration of the various block grants, we also recognize the need to accommodate a variety of competing interests in the development of final legislation. As a result, NGA, in a September 16, 1983 letter to Senator Orrin Hatch, supported the pass-through, but also proposed that governors should be given flexibility to replace insolvent agencies and establish new ones to serve unserved areas.

NGA wishes to thank you for the opportunity to provide written testimony for the record and to reemphasize that our policy supports the continuation of the CSBG. If you have any questions, please contact Mr. Barry L. Van Lare, Staff Director for Human Resources at (202) 624-5342.

Sincerely,

RAYMOND C. SCHEPPACH.

VALLEY FORK, WV, *April 20, 1984.*

DEAR CONGRESSMAN ANDREWS: I am a parent and now a teachers-aide with the Headstart. I am writing to tell you how well the programs have helped many of children and I believe lots of children do need it. For one I have a child in Headstart now, and I had one in there last year, she is in Kindergarten and I feel the Headstart helped her beforehand. There was a lot of requirements she needed before school and the Headstart gave it to her. If I didn't have anyway around, like to the Doctor someone of the Headstart would arrange for me to be there. They also arrange for your child to be more healthy. Now I believe my child is healthier than I am.

I teach my own girls things, but the Headstart taught them more to get them prepared for the public school.

Lots of children need Headstart not just for learning, but also communication with other people and their parents.

As a teachers-aide some children in the classroom have really come a long way. So please, could you help us keep our Headstart Programs going. A lot of children would like it, and help them.

Sincerely,

Mrs. Deborah Workman.

North Hudson Community Action Corporation,
Union City, NJ, April 23, 1984.

Representative Ike Andrews,
Rayburn House Building,
Washington, DC

Dear Representative Andrews: We have learned of your introduction of H.R. 5145 which includes a provision for the reauthorization of the Community Services Block Grant through September 30, 1989. Thank you for your continued commitment to this very vital program. We appreciate all you have done over the years in support of the elderly, handicapped and poor citizens of our nation by your efforts on behalf of CSBG.

Again many thanks for all of your hard work.

Very truly yours,

Michael A. Leggiero,
Executive Director.

Urban Strategies Headstart,
Brooklyn, NY, April 26, 1984.

Congressman Ike Andrews
U.S. House Of Representatives, House Office Building, Washington, DC.

Dear Congressman Andrews: We are writing to thank you for co-sponsorship of the Bill H.R. 5145. Also, would you please try to move the Bill to the House Floor as soon as possible, so it can be voted on?

Sincerely yours,

Merlene Clarke
(And 45 others).

Putnam Co.,
Fraziers Bottom, WV, April 30, 1984.

Dear Congressman Ike Andrews: I am a head start homebased parent. And I would like to let you know how well head start helped my child. When we started in September of 1983 my little girl was below average in all of her skills. Now she is above her skills like in *Language*. She was 2 months behind so by Jan. she improved 18 months in 4 months. And her *Fine Motor—small muscle control.* she is still a little behind. But her *Gross motor—Development Large—muscle control*—she improved 15 months in 4 months, and *Hearing Perception*—12 months overall, so now she is 9 months ahead. And *Vision Perception*-she was 5 months overall 15 months overall and now 6 months ahead. So I think head start has been real good for my daughter. And it also has helped me get started on my G.E.D. I would really be pleased if you would let Homebase & Head Start be next 5 year. Because I have a son I would like in it. Thank you.

Mrs. Janet Grant.

Rio Vista Community Action Committee,
Rio Vista, CA, May 4, 1984.

Dear Representative I. Andrews: I wish to thank you for your continued support of Head Start and C.S.B.G. by your introduction of H.R. 5145. We certainly need enlightened representation that is aware of the need for continued programs such as Head Start and C.S.B.G. I would hope that a raise in Head Start guidelines might be worked on. I've worked with so many "working poor" families who desper-

ately needed Head Start for their children but were over the guidelines by a small amount yearly. Please keep up the good work, and God Bless the Children.

Yours truly,

LILLIAN SULLIVAN,
RVCAC Coordinator.

GOLDSBORO, NC, *May 7, 1984.*

DEAR CONGRESSMAN IKE ANDREWS: I have a child that has a special need. He has to be catherized twice daily. The Follow Through Health and Social staff catheterize my child for me twice daily. If they did not do this, my child would have to leave school, come home to be changed and then return to school. This takes about 45 minutes to an hour per catheter change. I have other foster children and appreciate and need all the help I can get.

Thanks for supporting Follow Through and Bill 5145. My child needs special help.

Mrs. MAUDE DAWSON.

GOLDSBORO, NC, *May 7, 1984.*

DEAR CONGRESSMAN ANDREWS: Thank you for your concern for our youth. Your support of Bill 5145 shows that you have the interest of every child at heart. Every child deserves the best education possible simply to keep them off the welfare rolls, if nothing else. If we want a self-supporting society, we have to educate our youth.

Follow Through is a program designed to educate children and attend to those needs that affect a child's learning process. Those needs may include social, health or psychological services. The Follow Through Program attends to these ancillary services and thus enables children to focus their attention on learning.

Thanks for your support.

Sincerely,

NORA O. EDWARDS.

PASS CHRISTIAN, MS, *May 7, 1984.*

DEAR REPRESENTATIVE IKE ANDREWS: I would like to personally thank you for your leadership and support of CSBG and L/EAP. You are a true friend of the people and especially poor people. I believe in these programs and especially the help they provide for low-income and senior citizens who have been the foundation of our country.

Thank you again.

Sincerely,

LUCY HAZEUR.

WAYCROSS, GA, *May 9, 1984.*

REPRESENTATIVE IKE ANDREWS: Dear Mr. Andrews: I would like to thank you for including CSBG in your proposal, your support of these programs is greatly appreciated. These programs are very important to the citzens of Waycross. They are always ready to help the people in need. With your continued support these programs will always be available to those of us in need.

Thank you.

Mrs. M. C. BRISTOW.

EOA CENTER,
Atlanta, GA, May 18, 1984.

DEAR SIR: As a senior citizen, I just want to thank you for the bill you passed in our behalf.

Also for the Day Care Center. They are helping the poor who have to work to support the little ones. Thank you again.

Yours truly,

ALICE R. RICHARDSON.

COEUR D' ALENE, ID, *May 9, 1984.*

IKE ANDREWS,
U.S. House of Representatives,
Washington DC.

DEAR MR. ANDREWS: Head Start has been in northern Idaho for fourteen years and has served over 1,500 families. It has developed a dependable reputation of service to children and families. The Head Start center has become a resource for educational, social services and economic needs.

The reauthorization of Head Start for five years would maintain consistancy and dependability for Head Start families and the communities of the Idaho Panhandle. It would encourage landlords to see the value of improvement of the buildings rented to Hed Start. It would encourage school districts to strengthen the team approach for the Head Start child. It would convince the staff who believe deeply in the program that the philosophy which has proved so successful in recognized on the natioal level. It would assure grantees who administer the Head Start programs that their energies, involvement and support are not in vain. It would convince Head Start parents that there is a way to break the cycle of poverty.

I urge you to pass HR 5145 bill and strengthen the successful Head Start program.

Sincerely,

MAGGIE TALLMAN.

FALL RIVER, MA, *May 10, 1984.*

DEAR CONGRESSMAN ANDREWS: I am writing to thank you for introducing House Bill 5145. It is nice to know that there are congressmen who care about the future of our children. I feel very strongly that this Head Start program has helped two of my children greatly and hopefully it will still be here for my third child to benefit from in two years.

This Bill makes some very important changes which will strengthen the Head Start program. Therefore, I ask for your continued support.

I would also like to urge you to oppose any transfer of Head Start food moneys from the child care feeding program to the Head Start budget.

Thank you.

BETH DAVOL.

THE ASSOCIATION OF JUNIOR LEAGUES, INC.,
New York, NY, May 17, 1984.

Hon. IKE ANDREWS
Rayburn House Office Building,
Washington, DC.,

DEAR MR. ANDREWS: On behalf of the association of Junior Leagues, we want to thank you for including the Child Care Information and Referral Legislation in the Human Services Amendments of 1984 (H.R. 5145). The Association strongly supports this legislation and hopes that, with your leadership, Congress will pass it.

The Association of Junior Leagues in an international women's volunteer organization with 249 individual Junior Leagues representing approximately 150,000 members in the United States. In 1982-83, 31 Leagues reported in volvement in child care projects and 45 reported involvement in Public Affairs activities related to child care. At the conference, "Child Care: Options for the 80's," held by the Association in collaboration with the Johnson Foundation in the Wingspread Conference Center in Racine, Wisconsin in 1982, Child Care Information and Referral was identified as a priority by conference participants. Since that time, the Association has worked for passage of legislation similar to that included in H.R. 5145.

Please contact us if we may be of any assistance to you in your efforts to pass this important piece of legislation.

Sincerely,

CYNTHIA BRUBAKER,
Chairman, Public Policy Committee.
SALLY Y. ORR,
Director, Public Policy.

THE UNIVERSITY OF NORTH CAROLINA,
Chapel Hill, NC, May 18, 1984.

Hon. IKE ANDREWS,
Room 2178, Rayburn House Office Building,
Washington, DC.

DEAR CONGRESSMAN ANDREWS: Please extend our thanks to your staff members Mr. Gordon Raley and Ms. Michelle Stent for their helpfulness and congeniality while we were in Washington last week attending the 1984 national Follow Through conference. Michelle did an excellent job of presenting current information to the Follow Through conference participants on legislation to extend Follow Through and Gordon was most hospitable when we dropped in to offer our thanks for the excellent assistance he has given the Follow Through program.

Of course we want to take this opportunity to also thank you for your continued support of the Follow Through program and especially for your efforts in introducing H.R. 5145. We hope that it will be successful and we will do everything we can to help make that possible. We value your interest and sustained efforts to continue the Follow Through program.

Again, sincere thanks to you, Gordon Raley, and Michelle Stent. If we can be of any help to you in providing information on the Follow Through program, please feel free to contact us.

Sincerely,

PATRICIA P. OLMSTED, Ph.D,
Director, Parent Education, Follow Through Program.
MARTHA J. SZEGDA,
Evaluation Coordinator.
MARY J. WETHERBY,
Graduate Research Assistant.

COMMUNITY ACTION COUNCIL OF PALM BEACH COUNTY,
West Palm Beach, FL, May 18, 1984.

Hon. IKE ANDREWS,
House of Representatives, Rayburn House Building, Washington, DC.

DEAR REPRESENTATIVE ANDREWS: This is just a brief note to express our appreciation to you for the championing the cause for poor families. Your move to consolidate the Community Services Block Grant and Head Start under one bill is triumphant.

As we endeavor to advocate the interests and needs of the poor in Palm Beach County, we shall forever remember you for it is crucial that America begins to see the importance of providing comprehensive services to poor families and their children.

Again, many, many thanks for your leadership.

Sincerely,

MAUDE F. LEE, *Executive Director.*

Enclosure.

PANEL LINKS HEAD START, ANTI-POVERTY GRANTS

(By Janet Hook)

An anti-poverty block grant targeted for elimination by the Reagan administration would be kept alive for five more years under an omnibus social services bill (H.R. 5145) approved April 26 by the House Education and Labor Committee.

H.R. 5145 was ordered reported by voice vote, despite Republican objections to the bill's linking the Community Services Block Grant to a reauthorization of the popular Head Start program for disadvantaged preschool children.

Thomas E. Petri, R-Wis., contended that controversy over the block grant "could end up jeopardizing improvements in the Head Start program," either by stalling the bill in the Senate or provoking a veto.

But H.R. 5145's bakers said that the programs should be linked because their purposes are related.

PACKAGE DEAL

As approved by the committee, H.R. 5145 would authorize $1.1 billion in fiscal 1985, rising to $1.35 billion in 1989 for Head Start, which provides educational, health, nutrition, and other social services for disadvantaged preschool children. Almost $1 billion was appropriated this year.

H.R. 5145 would extend the block grant through fiscal 1989, with an authorization of $434.5 million in 1985, increasing to $527 million in 1989. The program, for which $252 million was appropriated this year, support antipoverty agencies providing such community services as jobs and housing.

A Senate bill (S. 2374) reauthorizing the block grant and Head Start—as well as energy aid for the poor—has bipartisan cosponsorship, including 10 Labor and Human Resources Committee members. But Chairman Orrin G. Hatch, R-Utah, and Jeremiah Denton, R-Ala., chairman of the subcommittee that handles Head Start, back a bill (S. 2565) that would reauthorize the program separately.

Petri, who introduced an amendment in the House markup to drop the block grant from HR 5145, said extending the community services program was unnecessary because it does not expire until fiscal 1986. His amendment was rejected, 12–22.

Ike Andrews, D-N.C., chairman of the Subcommittee on Human Resources, said it made sense to link the block grant and Head Start because they have traditionally been considered together and because 60 percent of the Head Start programs are sponsored by community groups aided under the block grant.

Andrews said after the markup that putting the programs in one bill was a "calculated risk," given the administration's opposition to the block grant. But he questioned whether the president would veto a bill including a program as popular as Head Start.

Head Start has been hailed widely for its success in enhancing early childhood development of the disadvantaged, and HR 5145 would not make major program changes.

The panel added a provison, proposed by Pat Williams, D-Mont., that would bar the Department of Health and Human Services from changing income eligibility standards for Head Start for the next two years, unless authorized by Congress.

BLOCK GRANT OPPOSED

The administration has argued that the Community Services Block Grant duplicates activities of the Social Services Block Grant. Both were created by the 1981 budget reconciliation act to replace other programs. (Almanac pp. 488, 490)

Advocates of the community services program contend that it supports broader anti-poverty projects than the social services grants, and is a key source of support for commuity agencies that help administer, either forms of government aid to the poor. The social services grants support such programs as day care, counseling and child-protection services.

The 1981 act required states to give 90 percent of their community services grants in fiscal 1982 to community agencies that had received aid under old anti-poverty programs. The provison was to expire after fiscal 1982 but has been maintained in appropriations bills. HR 5145 would continue to earmark funds for the agencies but would reduce their share of states' block grants to 85 percent.

HR 5145 also would: Extend the life of the Follow Through program, which provides social services for disadvantaged children after they have left preschool programs such as Head Start; Reauthorize a program designed to promote economic and social self-sufficiency among Native Americans; Establish new grants for organizations that provide information and referrals about child-care services.

OTHER BILLS APPROVED

Older Americans Act. By voice vote, the panel also ordered reported a bill HR 4785) to extend Older Americans Act programs through fiscal 1987. The bill authorizes about $1.3 billion in fiscal 1985 for social service and nutrition programs for the elderly.

A similar bill (S. 2603) was approved April 4 by a Senate Labor and Human Resources subcommittee. (Weekly Report p. 813)

HR 4785 also included HR 4472, which authorizes $8.55 million a year to promote elderly health education.

Juvenile Justice.—The panel approved a bill (HR 4971) that would continue authorizing $200 million a year for addressing the problems of juvenile delinquency. HR 4971 also would set up a new program to help locate missing children—includ-

ing the establishment of a toll-free telephone line for reporting and receiving information about children who have disappeared.

EUSTIS, FL, *May 24, 1984.*

Hon. IKE ANDREWS,
House of Representatives, Rayburn House Bldg., Washington, DC.

DEAR REPRESENTATIVE ANDREWS: Thank you for taking the lead on behalf of CSBG and the low-income in general.

Your assistance will always be remembered. Representatives like you who care enough to sound off for that part of the population who are often forgotten until the "Year of the Promise" are a rarity, but, so appreciated.

Thank you again.

MS. RUTH J. PELHAM.

EASTERN CATAWBA COOPERATIVE CHRISTIAN MINISTRY,
HEAD START,
Newton, NC, May 21, 1984.

Representative ANDREWS,
Rayburn House Office Building,
Washington, D.C.

REPRESENTATIVE IKE ANDREWS: The staff of E.C.C.C.M. Head Start wishes to go on record in support for refunding of the Head Start Program after the current funding cycle has ended. As educators we see the growth of the children suring the year and hear the encouraging comments from public schools about the Head Start students.

Funding needs to be increased to allow for new materials and to secure well trained staff. We also endorse continued use of the S.A.V.I. as an evaluation tool to ensure a quality program for the future leaders of America.

PATSY C. LYONS,
LEONA F. HILDERBRAND,
LINDA D. HOLLAR,
PHYLLIS FAIRCHILD,
GAIL LACKEY,
MARY CAMPBELL,
JIM LEATHERMAN,
ECCCM Head Start Staff.

WHISTLER, AL, *May 21, 1984.*

Representative IKE ANDREWS,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE ANDREWS: On behalf of our Head Start family we want to thank you and Representative Carl Perkins for the role you played in making Head Start stand out in H.R. 5145. Now we need your leadership ability to go a little farther in getting floor action on H.R. 5145 as quickly as possible.

Thanks again for your support and concern.

Sincerely,

FRANKIE BRIGGS.

ALEXANDER COUNTY HEAD START,
Taylorsville, NC, May 24, 1984.

Representative IKE ANDREWS,
Rayburn House Office Building,
Washington, D.C.

DEAR REPRESENTATIVE ANDREWS: I am writing regarding the proposed change in providing for training and technical assistance. I feel that the system presently in operation has proven beneficial to Head Start. As part of a small program we have

been able to turn to CABLE for assistance, and to be a part of activities that would have been otherwise impossible.

Sincerely,

CELIA C. MANESS,
Director.

MERIDIAN, ID, *May 24, 1984.*

Representative IKE ANDREWS,
House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE ANDREWS: I am writing to express my enthusiasm that H.R. 5145 has been reported out of the full committee.

I would like to commend you on a "job well done" thus far, and would like to urge you to support the bill coming to the floor and supporting its passage.

Again, thank you for your support.

Sincerely yours,

NELLIE CAMPBELL.

COUNCIL FOR CHILDREN,
Charlotte, NC, May 30, 1984.

Representative IKE ANDREWS,
U.S. House of Representatives, House Office Building, Washington, DC.

DEAR REPRESENTATIVE ANDREWS: Thank you for your leadership with H.R. 5145 to reauthorize Head Start and to provide federal funds for child care information and referral programs.

We are eager to see H.R. 5145 move to the House floor as soon as possible and urge your continuing support and leadership with this most important piece of legislation for children.

Thank you.

Sincerely,

DOLLY TATE, *President.*

FITCHBURG, MA, *May 31, 1984.*

DEAR REPRESENTATIVE ANDREWS: I have been informed by my coordinators that you have really helped the Head Start program in the past with your support of bill H.R. 5145.

My daughter, Laura and myself have improved so much mentally and emotionally in the last 9 months. My daughter, Rebecca, will be attending next year.

I hope you will support bill S. 2565, which will improve the Head Start program. I have written to Sen. Kennedy, Sen. Tsongas and Rep. Boland, as well as Sen. Hatch and Rep. Perkins, to tell them of my support and ask them for their help. I urge you to do your best to help bring it to the floor before summer.

I thank you for your past and furture support of the much needed Head Start program.

Yours truly,

BRENDA LIVELY.

DAY CARE COUNCIL OF NASSAU COUNTY, INC.,
Hempstead, NY, June 12, 1984.

Hon. IKE ANDREWS,
U.S. House of Representatives,
Washington, DC.

DEAR MR. ANDREWS: We of the Day Care Council of Nassau County want to thank you for your leadership in Head Start in the past. We are eager to see HR 5145 brought to the House floor as soon as possible. It is a critical bill for child care and we urge your active support.

The Nassau County Day Care Council is a not-for-profit association of day care professionals, parents, educators, and concerned citizens dedicated to expansion and support of quality child care. Its emphasis is on the all-day care of children of working parents, children who cannot be cared for adequately in the home and children

who have special needs which can be met through child care programs. The Council believes that quality day care, provided either in centers or by individuals in a home setting strengthens and enriches family life, gives children opportunities to develop their full capacities as human beings, and improves community life.

Sincerely,

GLORIA WALLICK,
Executive Director.

JUNE 22, 1984.

Hon. IKE ANDREWS,
Committee on Education and Labor, U.S. House of Representatives, Room 2178 Rayburn House Office Bldg.,
Washington, DC.

DEAR SIR: Head Start exemplifies excellence in the development and training of our nation's youth. It is of great importance that you support the passage of Head Start Bill H.R. 5145 and encourage other members to do so, too!

There is plenty of medial controverse of the immigration bill, but when it comes to Head Start's passage of H.R. 5145—to expedite action on the bill—none is taken.

It seems to me that the House wants immediate passage for immigrants to come into this country to work, and send money back to their country instead of passing bills which reflects HOME (USA, America, Our Country). It has been stated that H.R. 5145 is "too costly, complex and controversial" it seems to me that your fellow members have their priorities set wrong, at least H.R. 5145 would be taking care of HOME, first.

Please give this issue your immediate attention and encourage other members, too.

Sincerely,

Ms. LYNDA AMPLEY.

JAMESVILLE, NC, *June 25, 1984.*

DEAR IKE ANDREWS: It is urgent that you push for immediate floor action on the Head Start Bill H.R. 5145 scheduling a floor vote on Head Start immediately so that this important program not be reauthorized on a continuing resolution.

Sincerely,

LILLIAN SMITH.

SEVENTEENTH GUAM LEGISLATURE,
Agana, GU, May 30, 1984.

Hon. CARL D. PERKINS,
Chairman, House Committee on Education, Washington, DC.

DEAR CHAIRMAN PERKINS: Please find attached a copy of Resolution No 460, duly and regularly adopted the Seventeenth Guam Legislature.

We welcome any response or comments you deem proper.

Sincerely,

ELIZABETH P. ARRIOLA,
Senator and Legislative Secretary.

Enclosure.

SEVENTEENTH GUAM LEGISLATURE
1984 (SECOND) Regular Session

Resolution No. 460

Introduced by:

F. J. Quitugua
A. R. Unpingco
E. P. Arriola

T. S. Nelson
F. R. Santos
J. F. Quan
E. T. Charfauros
A. C. Lamorena III
J. H. Underwood
J. F. Ada
J. P. Aguon
E. R. Duenas
C. T. C. Gutierrez
F. J. Gutierrez
M. K. Hartsock
P. C. Lujan
M. D. A. Manibusan
D. Parkinson
J. T. San Agustin
T. V. C. Tanaka

Relative to commending the top volunteers and extending appreciation to the administrators, staff and parents of the Territorial Headstart Program.

BE IT RESOLVED BY THE LEGISLATURE OF THE TERRITORY OF GUAM:

WHEREAS, since the establishment of the Headstart Program in 1965, it has progressed to become the largest comprehensive Preschool Child Development Program in the United States mainland and its territories; and

WHEREAS, evaluative studies conducted have shown generally favorable results concerning the effectiveness of the Headstart Program; and

WHEREAS, the success of the program throughout the nation depends on the commitment of the parents to support, morally and physically, all activities of the program, such support rendered without compensation; and

WHEREAS, among the hundreds of parents who have been supportive of the Headstart Program through the many educational and developmental activities, there are a few outstanding ones who devoted many hours of

work beyond what is expected of them, and thus, should be accorded appropriate recognition; and

WHEREAS, the Seventeenth Guam Legislature recognizes the importance of all volunteer contributions to the Headstart Program regardless of how few the number of hours may seem; and

WHEREAS, the top three volunteers in terms of number of hours contributed are selected as representative of those many Headstart parents who have all contributed to the success of the program; now, therefore, be it

RESOLVED, that the Seventeenth Guam Legislature recognize Maria B. Cruz, who has contributed 740 hours in the L. B. J. Center; Ana S. Padua, with 726 hours in the Andersen Center; and Macrina S. Uncangco with 539 hours in the Agana Heights Center; and be it further

RESOLVED, that the Seventeenth Guam Legislature extend its sincerest appreciation on behalf of all parents to Maria B. Cruz, Ana S. Padua, and Macrina S. Uncangco; and be it further

RESOLVED, that the Seventeenth Guam Legislature recognize the efforts of the following Headstart Centers which recorded in excess of 1,000 hours of volunteer service from Headstart parents: L. B. J., 2,676 hours; Mangilao, 2,590 hours; Agana Heights, 2,326 hours; J. P. Torres, 1,455 hours; Talofofo, 1,444 hours; M. U. Lujan, 1,397 hours; and Andersen with 1,102 hours; and be it further

RESOLVED, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the Director of the Department of Education; to the Parents' Association of the L. B. J., Andersen and Agana Heights Centers; to the Administrators of the Guam Headstart Program; to the Honorable Carl D. Perkins, Chairman of the House Committee on Education, Washington, D. C.; to the Honorable Terrel H. Bell, Secretary of Education, Washington, D. C.; and to the Governor of Guam.

DULY AND REGULARLY ADOPTED ON THE 24TH DAY OF MAY 1984.

ELIZABETH P. ARRIOLA
Senator and
Legislative Secretary

CARL T. C. GUTIERREZ
Speaker

2

JAMAICA PLAIN, MA, *July 3, 1984.*

To: Representative Ike Andrews of North Carolina.

DEAR CONGRESSMAN: As a member of the House Committee of Human Resources, I write to encourage your support of an increase or level funding for CAP agencies. I work in hunger issues at the person to person level, and am appalled at how poor our poor are becoming.

Here at the Jamaica Plain Emergency Pantry we redistribute food to families in need. Last winter we had one very beautiful snow—big soft white fluffy crystals—but as I ran from storeroom to pantry, I saw a little boy down at the bottom of our staircase—he hung about all day, and when I was leaving, he mustered his courage to ask—"is this the day you give away food?" big eyed and patient little boy—I answered in an even tone of voice—but inside anger builds—who and what makes a system so that little boys lose their childhood, in an adult concern about food. Without childhood can he grow into manhood?

People who don't know that little boy, have committees that study hunger—luncheons to discuss hunger—but the questions about hunger grind from one task force to another, and end with the same questions—The President never invites the little boy to lunch, and the President never asks him about hunger—and the little boy knows the answer!

LEONA M. SHEA

DEPARTMENT OF HEALTH AND HUMAN SERVICES,
OFFICE OF INSPECTOR GENERAL,
September 23, 1983.

From: Richard P. Kusserow, Inspector General.

Subject: Review of Selected Practices in Managing Discretionary Grants, Office of Human Development Services.

To: Dorcas R. Hardy, Assistant Secretary for Human Development Services.

The report on our review of selected management practices for discretionary grants in the Office of Human Development Services (HDS) is attached. The report presents recommendations for correcting deficiencies found in awarding, monitoring, and closing out of completed grants.

The review found that:

Peer review recommendations and comments were not always resolved before awards were made;

Grants were awarded without explanation to applicants rated lower in technical merit than grantees not funded;

Grants were awarded non-competitively without required justifications;

Grants and cooperative agreements were used when contracts would have been more appropriate;

Grants officers and project officers often were not receiving or reviewing grantee progress or financial reports to keep informed on the performance of grant objectives;

HDS officials were not visiting grantees to assess performance; and

Completed grants were not closed in a timely manner.

HDS staff generally concurred with our findings and recommendations and informed us that corrective action is underway. The complete text of their comments appears as an appendix to the report.

We would appreciate being advised in 60 days on the status of action taken on each recommendation. Please feel free to contact us with any questions.

Attachment.

REVIEW OF SELECTED PRACTICES IN MANAGING DISCRETIONARY GRANTS, OFFICE OF HUMAN DEVELOPMENT SERVICES

INTRODUCTION

Background

The Office of Human Development Services (HDS) awarded almost $100 million in discretionary grants and cooperative agreements during fiscal year 1982. The fund supported research, demonstration, service, and training projects intended to improve the quality of life for such populations as the elderly, children, youth, Native Americans, and persons with developmental disabilities. Funds were awarded by program offices in the HDS components—the Administration on Aging (AOA); Administration for Native Americans (ANA); Administration on Developmental Dis-

abilities (ADD); Administration for Children, Youth and Families (ACYF) and the HDS Office of Policy Development (OPD). The program offices were responsible for dealing with programmatic aspects of the grant or agreement. The business aspects of managing the awards were handled by the Office of Management Services (OMS).

Scope of review

Our review, made in accordance with standards for governmental auditing, focused on determining the adequacy of practices used by HDS program and grants offices in processing, reviewing, awarding and administering discretionary grants. The review covered procedures in effect during fiscal year 1982. The basic procedures and practices examined remain in effect unless HDS comments state that changes have been made. The review was conducted at the HDS central office in Washington, D.C.

We did not review the award process in ANA and OPD because it had recently been reviewed by the Office of Procurement, Assistant and Logistics, Office of the Assistant Secretary for Management and Budget.

HIGHLIGHTS OF REVIEW RESULTS

Our review disclosed several weaknesses in the management of discretionary grants. Peer review recommendations and comments were not always resolved; grants and cooperative agreements were used where contracts would have been more appropriate; grants were awarded non-competitively without required justification; grants and project officers were not monitoring progress being made by recipients; project officers were not making site visits to grantees which were in difficulty. This may have adversely affected the performance of recipients receiving $10.4 million in awards and resulted in the continuation of non-productive projects. Also, completed grants were not closed out in a timely manner. Specifically:

Awards were made to applicants rated lower in technical merit by peer reviewers than other applicants which were not funded; in other instances reviewers' recommendations for improvements in otherwise acceptable applications were not acted upon before award or made a condition of the grant award. Leaving these issues unresolved led to difficulties—grantees responded with incomplete answers to questions raised by reviewers or declined to take corrective action. Accordingly the Department's ability to enforce corrective measures and avoid possible problems was limited.

HDS awarded grants non-competitively without proper justification and required justification did not demonstrate outstanding merit. Competition required to stimulate applicants to extend their best efforts by performing high quality work was not always emphasized.

HDS used grants and cooperative agreements in situations where contracts would have been more appropriate. It appears that these instruments were chosen mainly for administrative convenience but their use impairs the Department's ability to control performance and to take remedial action should an organization fail to perform adequately. It also limits competition because the requirement for justifying a non-competitive grant is less stringent than for contracts.

Grants officers and project officers often were not aware of the progress being made by recipients on HDS grants and cooperative agreements. In many instances progress reports were not received or received late. Program and grant files contained little evidence of the review of recipients' reports. As a result, there was no assurance that the technical adequacy of recipients' performance was being adequately monitored. Poor performance by some recipients was not identified and corrected.

Grants and project officers were not visiting grantees annually to assess progress and in many cases, site visits were not made at all although problems with grantees had been identified. In 35 of the 49 active grants we examined there was no evidence of site visits. Despite the limitations on travel funds we believe better utilization of existing resources would permit more site visits and prevent continuation of grantee problems. For instance, site visits were made to foreign recipients although progress reports indicated that performance was satisfactory, yet domestic grantees with reported problems were not visited. We estimate the overseas trips cost about $20,000.

Completed grants were not closed out promptly. We found that 439 of 476 grants tested which had reached their expiration date remained open; about 300 grants had been completed for over a year. Most of the grants lacked either the final technical or financial reports. As a result, there was no assurance that the grantee completed program requirements, properly accounted for funds and properly disposed of unobligated balances.

HDS officials generally concurred with our findings and recommendations and informed us that steps were being taken to correct the weaknesses noted. Their comments are discussed in the body of the report as appropriate and are included in the Appendix.

FINDINGS AND RECOMMENDATIONS

Peer review results

Awards were made to applicants rated technically lower by independent peer review panels than other applicants which went unfunded; reviewers' recommendations for corrections of weaknesses were not resolved before award. In some instances, scheduling problems permitted insufficient time for correcting deficiencies between the panel review and deadlines for award, in others there was no apparent reason for not resolving the comments promptly. Leaving significant issues unresolved caused grantees to respond with incomplete answers or decline to take corrective action. Also, important recommendations were not made conditions of the award, thereby lessening the Department's ability to enforce corrective measures.

As required by Chapter 1-62 of the Department Grants Administration Manual (GAM), HDS uses panels of outside experts to review specific categories of applications. The panels approve or disapprove applications and rank them according to their technical merit. They also have the option of deferring final decisions on applications until weaknesses have been corrected or uncertainties clarified. Applications for the continuation of projects within an approved project period are generally reviewed by program staff. While these panels are only advisory, their recommendation as to the funding order of applications should be followed or the reasons for deviating explained by the program office. Chapter 1-12 of the GAM requires that panel recommendations to correct weaknesses in acceptable applications should generally be acted upon before the award is made.

In several instances, awards out of the rank order established by the independent review panel were not explained to the satisfaction of grants management officials who properly refused to sign the notice of grant award because they thought the awards to be inappropriate. In addition, recommendations which reviewers made for strengthening applications were frequently not acted upon until after the awards were made. Awards should have been deferred until reviewers recommendations were acted upon.

The following examples illustrate the conditions we found:

ACYF awarded $160,172 for the first year of a three year project aimed at strengthening and promoting accreditation of agencies serving families and children. On the whole, the panel's review was negative and one of the primary recommendations was for an evaluation of the grantee's performance to date by an outside evaluator. The panel recommended that a detailed evaluation plan be made a condition of award. The recommendation was not made a condition of award, and an evaluation was not obtained.

ADD awarded a $490,000 grant for a project aimed at increasing public involvement in all aspects of State development disabilities planning, implementation and evaluation. The award was made out of rank order and without the approval of the HDS grants management office. The Assistant Secretary HDS declined to either approve or disapprove the award on the grounds that his staff was not afforded adequate time to review the application. The ADD Commissioner, exercising statutory authority, awarded the grant although 14 proposals rated technically superior by the expert panel were not funded. The reason for the deviation from the recommended ranking was not documented in the program file or the official grant files.

Recommendations and HDS comments

We recommend that HDS:

1. Not make awards without the review of required management officials. Results of the review and recommendations should be made a part of the official file. Adequate time should be allowed for the resolution of reviewers' concerns.

2. Program officials prepare and place in the official grant file a response to panel recommendations and comments. Reasons for not acting upon panel comments and recommendations should be specified.

3. Act on recommendations before the award. If resolution cannot be achieved recommended action should be made a condition of the award. Program and grant management officials should follow up to ensure that recipients comply with these conditions.

Although the formal HDS response in the appendix does not specifically address the first recommendation, HDS officially agreed with our recommendation in previ-

ous correspondence: "We are in agreement with your recommendations (1) that no award be made without review by required management officials and that the results of these reviews be documented in the official file and (2) adequate time should be allowed for resolution of reviewer's concerns. In the instance cited the awards were made during the last days of the fiscal year and did not allow sufficient time for grants management review or resolution of reviewers' concerns. In those instances the Grants Officer did not sign the awards. Current practice mandates deferral of such awards to the next funding cycle."

HDS officials generally concurred with the recommendation on utility of panel comments and do as a matter of practice try to deal with such issues on a generic basis and do utilize the panel recommendations and comments during the evaluation process and negotiation process with the applicant to obtain revised applications which reflect the panel's recommendations and comments. They will reemphasize to HDS staff the importance of considering all relevant comments.

They also agreed that panel recommendations should be dealt with prior to award and where such actions are taken after award they should be monitored to assure compliance. Generally they try to assure that the grant statement of work is complete prior to award. There are times, however, when this has not been possible resulting in special conditions. HDS will emphasize to its staff the importance of monitoring compliance with these conditions.

Noncompetitive awards

Contrary to Department policy, HDS awarded grants non-competitively without justification. As a result, not all interested parties may have known that support was available and lower quality projects may have been funded because of lack of competition. We attributed this primarily to program objectives not always being advertised in the Federal Register.

Chapter 5 of the HDS Grants Administration Staff Manual states that ordinarily all program objectives for which grants may lawfully be made should be covered by program announcements. Applicants responding to these announcements compete with each other for available funds. Occasionally, however, an unsolicited proposal may be received for a project which is not within the scope of any program announcement issued or expected to be issued, but can lawfully be supported by the granting agency. HDS policy permits award of grants for such projects without the competitive review required by Federal regulations, provided that the program office justifies in writing, for approval by the Assistant Secretary HDS, that each grant project is in fact not within the scope of any program announcement and is of such outstanding merit that the award of a grant without competition is justified. Continuation grants, awards to a current grantee for an additional project period, should be subject to the same requirements.

We reviewed the selection process in ADD, ACYF and AOA. While improvements were needed in all three agencies, the problem was more pronounced in ADD. Noncompetitive awards were the rule rather than the exception in ADD. Program announcements containing information about objectives of the ADD program were not published in the Federal Register so that all interested parties would know that support was available. Grants were improperly awarded non-competitively in 1978, 1979 and 1980, then continued for new project periods. Most were without justifications for the deviations from the competitive process while others had inadequate justifications. Furthermore, most of the grants we reviewed resulted from unsolicited applications.

Of the 13 new ADD grants we tested, eight totaling $1.7 million were awarded without competition, and were not covered by program announcements. The written justifications required for deviating from competitive procedures were not on file for any of the eight. Negative comments by reviewers indicated that at least three of these projects were not of outstanding merit.

ADD renewed 10 of 13 grants in our sample without competition and without justification for deviating from competitive procedures for new, one-year project periods. The 10 awards totaled over $3 million.

In ACYF and AOA, grants and cooperative agreements were normally awarded competitively as a result of program announcements published in the Federal Register. However, we noted that 3 of 17 grants were inappropriately awarded non-competitively because it was not demonstrated projects were of outstanding merit or were covered by a program announcement. For example, in ACFY a $289,000 grant was awarded non-competitively in 1979 and then renewed non-competitively in 1980. Both the initial and continuation awards were improperly justified.

Recommendations and HDS comments

We recommend that HDS:

1. Improve compliance with Department competitive procedures and ensure that exceptions are made only when the funding office demonstrates that projects are of outstanding merit.

2. Ensure that projects are not continued non-competitively for new project periods unless a new justification for deviating from competitive procedures is prepared and approved by the Assistant Secretary, HDS.

3. Ensure that program objectives for which support is available are publicized through program announcements in the Federal Register.

HDS concurred in our findings and recommendations and acknowledged a past weakness in the non-competitive procedures used by ADD. HDS grants management officials stated that discussions have been held with the current administrative staff and a better understanding of the Department's competitive and non-competitive procedures has been reached. In addition, they pointed out that a new system is now in place to ensure more efficient handling of non-competitive proposals. Also, HDS officials pointed out that Chapter 7 of the HDS Grants Administration Staff Manual has been revised to clarify procedures for non-competitive awards.

Choice of award instrument

HDS has used assistance instruments—grants and cooperative agreements—in situations where contracts would be more appropriate. It appears that assistance instruments were chosen mainly for administrative convenience. The inappropriate use of assistance instruments impairs the Department's ability to control performance and to take remedial action should an organization fail to perform adequately. It also limits competition because the requirement for justifying a non-competitive grant are less stringent than for contracts. Further, it avoids other requirements of the procurement system.

The Federal Grant and Cooperative Agreement Act of 1977 (P.L. 95-224) requires the use of procurement contracts for all agency acquisition activity, and the use of assistance instruments (grants or cooperative agreements) for specified types of assistance relationships. Under the act an assistance relationship occurs when the principal purpose of the award is to accomplish a public purpose of support or stimulation. A contract should be used when the principal purpose of the transaction is to meet a Government need by providing a product or service, principally for the use or benefit of the Government. Chapter 1-01 of the GAM arugments the guidance in the Grant and Cooperative Agreement Act on distinguishing between those situations in which a procurements contract or an assistance instrument is the appropriate instrument. It states that procurement contracts would normally be used for: (1) evaluation of Government projects, (2) technical assistance on behalf of the Government to any third party including grantees, (3) training projects where the Government selects specific groups whose members are to be trained, and (4) planning for agency use.

The use of a contract imposes a greater burden on staff. As the buyer, the Government is expected to state its needs precisely, and go through a compietitive process to select the best offer. Depending on the type of product or services, special reviews may be required. Consultant services, for example, are reviewed to confirm that the end results expected of the contract justify the anticipated costs and that qualified in-house staff to perform the work are not available.

We found instances where assistance instruments were used in procurement situations. Grants were awarded for project evalution, technical assistance, coordination of technical assistance and for the development of reports required by Congress. In some cases, tasks assigned to be performed by grantees were similar to work being performed by in-house staff. The following are examples where assistance instruments were used for awards which we believe should have been procurement contracts.

The Director of the Bureau of Developmental Disabilities in a memorandum listed 12 grants which he described as "program support projects". He also stated that "some of these should probably be contracts and some are frankly activities, which should, if Central Office and Regional Office staff were available, be done by Federal staff." For example, $571,185 was awarded for a 2-year period to study the use of standards to improve services for developmentally disabled individuals. The grantee was to evaluate the compliance of agencies serving developmentally disabled individuals with nationally accepted standards. It was basically, technical assistance on behalf of a Government program to third parties.

AOA awarded a $675,000 cooperative agreement "to create an organization for developing strategies for agenda setting, research review and utilization of AOA sponsored research." We believe this agreement should have been a contract for consultant services and should have been reviewed and approved in accordance with the

Department's procedures for controlling consultant services. The terms of the agreement paralleled the position descriptions of AOA staff. The products and services provided were to be used by AOA in establishing research priorities.

Recommendations and HDS comments

We recommend that HDS:

1. Review ongoing grants and cooperative agreements to identify those which were used in contract situations. Where feasible these should be converted to contracts and the appropriate contract review criteria including review of consultant services should be applied.

2. Document the rationale for awarding any grant for technical assistance or evaluation.

HDS concurred with our findings and recommendations and told us the Assistant Secretary took strong steps to curtail the use of cooperative agreements and in FY 1982 less than six cooperative agreements were issued. HDS also responded that the grants office will review grant awards which include consultants services to determine that the services are consistent with Department policy.

Monitoring grantee performance

The Grants Officer (GO) and cognizant Project Officer (PO) are jointly responsible for the continuing oversight of project operations to assure that the Government's interests are protected and that the grantee is adhering to the terms and conditions of the grant award. We found that GOs and POs often lacked awareness of the progress being made by recipients of HDS grants and cooperative agreements. The files contained no evidence of the review of recipients' reports and in many instances the reports were not received or received late. As a result, there was no assurance that the technical adequacy of recipients' performance was being adequately monitored on grant awards totaling about $10.4 million.

About sixty-five percent of the files we reviewed did not contain evidence that the performance reports submitted by the grantees were reviewed or that an attempt was made to coordinate the PO's review of performance reports with the GO's review of financial reports. Our comparison of progress reports to the grant goals indicated that some recipients were encountering problems. Non-productive efforts under cooperative agreements were allowed to continue because POs and Government technical advisors were not reviewing and approving interim phases of projects before allowing recipients to continue. In many instances, performance and or financial reports were overdue and no attempt was made by the PO and GO to obtain them. In several cases grantees had not submitted any reports by the project expiration date, and the expirations of these grants went unnoticed for serveral months until the grantee requested and was given a time extension.

Chapter 1-03 of the GAM states that grants officers are primarily responsible for the business, financial and management aspects of the grant; and project officers are primarily concerned with the programmatic aspects of the project. The performance report provides a summary of program acomplishments. Its use, combined with the financial status report and on site visits, provides a basis for assessing the grantee's progress in achieving project objectives. Department regulations require the performance report be submitted along with the financial report. The HDS Grants Administration Staff Manual requires that reviewers document their assessment of progress based on the report. According to the GAM, the program office should coordinate review of the performance report with the grants officer's review of the financial report in order to relate the recipient's progress with the rate of expenditure.

Cooperative agreements, according to Chapter 1-02 of the GAM, should entail active substantial Federal/recipient partnership, collaboration, interaction and involvement in the programmatic activities. The agreements usually require the involvement of several different HDS project officers. Many agreements, for example, specify involvement of regional officers and the clearinghouse. Reporting requirements vary according to the terms of the agreement.

The following examples illustrate the need to improve the monitoring of grants and cooperative agreements:

ADD awarded a $149,948 grant to analyze and categorize services available to the developmentally disabled. The study results were seen as being useful to agencies and groups, and the grantee was to undertake a "vigorous dissemination effort". Two amendments extended the project period one year past the original completion date and brought the total cost to $154,945. In our opinion monitoring was deficient throughout the project period. Quarterly performance reports were required; however, only one was received and there was no evidence it was reviewed, nor was there any evidence the grantee was informed of the reporting deinquency. ADD officials

stated that the final report, which was submitted 7 months after the original completion date, was "useless" because it is "bulky and too cumbersome for effective utilization."

AOA entered into cooperative agreements with a cluster of five recipients for the purpose of developing model state information systems. The total expenditure for the first budget period was $350,634 and a similar amount was expected to be spent in each of the next two budget periods. AOA was to develop agendas for semiannual meetings; serve as liaison between state and other Federal agencies and recipients; and make available the assistance of persons with specialized skills and material. The PO had not performed the required grant oversight functions, as a result, HDS did not satisfactorily fulfill its functions under the agreement. We saw little evidence that AOA was substantially involved in planning the project, coordinating and serving as liaison between the five recipients in the cluster and in providing technical assistance. At the time of our field work, only two of the five recipients had submitted semiannual reports due three months earlier. There was no evidence of review of these reports and no attempts were made to obtain the overdue reports. Our review of the two reports indicated that one recipient seemed to be significantly behind schedule.

ADD awarded a one year $260,000 grant to provide training and technical assistance in three regions. Amendments brought the total award to $493,000 and extended the project period to 26 months. A peer review indicated that during the first year of the project the grantee experienced personnel and organizational problems. ADD program officials did not follow up to ensure that the grantee corrected these problems and the poor performance continued.

The grant was extended for a second year for $200,000 although conditions required for continued funding were not fulfilled and the basic problems continued. The files disclosed no evidence of ADD attempts to bring the grantee into compliance with the conditions of the extension until ADD considered funding for a third year, when a site visit was made to assess the grantee's implementation of earlier pledges. Although ADD decided against funding this grantee for the third year, a $33,000 extension was awarded to phase out the grant and complete five ongoing tasks. Two years later the project officer did not know if the grantee had completed the tasks.

A $320,000 cooperative agreement awarded by OPD for one year was allowed to expire because performance was unsatisfactory. The project officer indicated that the grantee was at the point they were before the initial award. Our review of the official file suggests the Federal Government did not fulfill its commitment in the form of technical assistance and coordination. There is also an overall lack of documentation of the PO's review of progress reports and review and approval of phases in the project's development. Further, the assistance of the Government designated Technical Consultant was not sought by the PO. We believe that had OPD maintained its commitment throughout the grant period, the project could have been more successful or at least curtailed much sooner at a savings of $224,000.

Recommendations and HDS comments

We recommend that:

1. Grant officers ensure that recipients submit all required interim reports timely and that they follow up to obtain delinquent reports. Funds should be withheld from delinquent recipients.

2. Program directors or supervisory project officers should ensure that all performance reports are reviewed by the project officer or other qualified reviewer. Problems noted should be communicated in writing to the recipient and the correspondence should be placed in the official grant file. Follow up should be made to ensure problems are corrected.

3. Grants management specialists coordinate their review of financial reports with program review of performance reports.

HDS concurred with our findings and recommendations and told us that grantees have been provided with reporting procedures which specify that all reports relating to grants must be submitted to the grants office. Also, a system has been established to track delinquent reports so that a "hold" can be placed on the disbursement of funds until the grantee submits outstanding report(s). Further, the appropriate HDS program commissioner will be advised of the need for and importance of these reports to be reviewed by project officers and advise this office of any follow up action taken or to be taken by the project officer and/or grants officer. To the extent that coordination is possible, the grants office will continue to do so.

Site visits

Site visits by project and/or grants officers were not made annually, and in many cases were not made at all, even when problems with grantees have been identified. For example, official files showed no evidence of site visits for 35 of the 49 active grants we reviewed. We attribute this primarly to limited travel resources; however, we believe that additional site visits could be made by better utilization of available resources. In the absence of visits serious problems with some grantees were not corrected.

Chapter 11-10-I of the HDS staff manual states that site visits should generally be made at least annually to all grantees, subject to the availability of resources. However, priority in making such visits should be given to "high risk" grantees—grantees encountering known problems and new grantees. The manual further requires that the results of each site visit are to be documented in a trip report and placed in the official grant files.

We found that visits were made to foreign recipients although progress reports indicated that performance was satisfactory. For example, one recipient in Egypt was visited eight times in three years by various program officials although there was no evidence that the project was experiencing problems. We estimate the cost of these trips to be about $20,000. Officials of the same program, however, did not visit one domestic recipient although progress reports indicated the grantee was encountering serious problems; the project was eventually terminated.

Other program and grants management officials also did not visit recipients in the Washington Metropolitan Area although problems were apparent. For example, one local grantee lost the principal investigator and fell behind schedule. Eventually, the grantee requested a three month extension and employed a consultant to complete the grant objectives. The grantee had never been visited during the 15 month project period. In another case a local grantee was visited once during a 27 month project period. Interim reports were not being submitted and the final report was termed useless by program officials.

Recommendations and HDS comments

We recommend that each of the five programs monitor projects to ensure that project officers visit recipients in the greatest need of surveillance. HDS concurred with our findings and recommendations. Officials told us it is their policy that site visits should be made annually to each grantee subject to the availability of resources giving priority to "high risk" grantees, grantees with known problems and new grantees. However, HDS officials stated that lack of staff prohibits the project officers from visiting any grantees without a specified need for technical assistance.

Closing completed grants

HDS was not closing out completed grants in a timely manner. We found that 439 of 476 grants which had reached their expiration date remained open; about 300 of them had been completed for over a year. We attributed this primarily to the grants management office assigning a low priority to closing out completed grants. Most of the grants lacked either the final technical or financial reports and as a result, there was no assurance that the grantee completed program requirements, properly accounted for funds and properly disposed of unobligated balances. While some efforts were made to obtain the reports, they were generally unaggressive and ceased when grantees failed to respond to the initial request.

Department grants administration regulations (45 CFR part 74) require that within 90 days after the completion date of the project grantees submit all financial and performance reports, refund or dispose of any unencumbered cash balances and account for disposition of property purchased with grant funds. Chapter 14 of the HDS Grants Administration Staff Manual states that closeout should be completed within 180 days of the project expiration date. Chapter 11 of the HDS Staff Manual states that grantees whose performance or financial reports have not been received within 30 days of the required submission date should be notified, in writing, by the Grants Officer that the report has not been received and that the subject report or suitable explanation for failure to submit the report must be received in two weeks. If the report or satisfactcry response is not provided within the time period, HDS procedures specify that the Grants Officer must consult with the program head and determine the action to be taken.

Under Department procedures, the courses of action available to the Government against delinquent grantees include withholding future awards until delinquent grantees fulfill their reporting requirements or classifying grantees as "high risk" and, therefore, subject to more stringent monitoring in future awards. Although

about 300 of the grantees had been delinquent for over a year, these stronger measures were not being employed.

To determine the reasons these grants could not be closed and to assess the quality of the HDS follow-up efforts, we reviewed 20 grant files in detail. We found that 14 lacked the final technical report; 8 did not have a final financial report; and 13 had no property and/or obligated balance disposition statement. In addition, many of the documents which were on file had been submitted late.

In general, if required reports were not submitted within 30 days the Grants Management Office sent letters requesting the reports. However, when the requests went unanswered, no follow-up was undertaken. There was no evidence that the grants office and program head were communicating as required to discuss appropriate action against the delinquent grantees.

The following examples illustrate the sporadic nature of HDS follow-up efforts and the lack of cooperation between grant and program offices.

Nearly 2 years after an AOA grant expired the final technical report, financial report and disposition statement had not been submitted. The final technical report is to include a summarization of research methods and the overall experience of the grantee in the development and testing of guidebooks for the elderly. The project officer was not aware that the report had not been submitted.

Any ACYF grantee did not submit its final financial report until 22 months after the project expiration date. The grant office first requested the report 5 months after expiration, but did not follow-up until a year later. After the report was submitted, the grants specialist calculated a cumulative unobligated balance of $91,695. At that time, the grants office requested that these funds be withdrawn from the grantee's cash advance account.

The Assistant Secretary for Management and Budget has stressed the importance of the timely closeout of grants. The Assistant Secretary pointed out that the current Department initiatives on debt collection are dependent upon the prompt closeout of grants. However, we found HDS was still giving priority to awarding new grants rather than ensuring that the maximum benefits is derived from grants already awarded.

Recommendations and HDS comments

We recommend that HDS:

1. Ensure that all action inherent in the close out process is taken and, when necessary, follow-up on delayed reports or other documents required for closeout.

2. Withhold funds from grantees in a delinquent status unless the Assistant Secretary HDS specifically approves continued funding despite the delinquency; the justification for the approval should be documented.

HDS officials concurred with our findings and recommendations and told us they have worked diligently during the past year to reconcile and close out grants and that the backlog has been greatly reduced. Also, officials stated that procedures are being established to flag delinquent grantees with open awards with other HHS components and finally to deny delinquent grantees new awards under HDS programs.

How Poverty Is Measured in the United States

Mivi Brief Number MB82218

(By Brian Cashell, Economics Divison, the Library of Congress)

ISSUE DEFINITION

The poverty income threshold is a statistical measure that is based on a typical 1961 economy food budget developed by the Department of Agriculture. This minibrief examines the poverty rate measure published annually by the Bureau of the Census. Sources of potential bias are discussed and the distribution of poverty by race is examined.

BACKGROUND

Based on survey results, the Agriculture Department has determined that families of three or more persons typcially spend about one-third of their incomes on food. Therefore, for these families, the poverty income threshold was set, judgmentally, at three times the economy food budget. For smaller families and unrelated individuals the economy food budget was multiplied by slightly higher factors to compensate for the relatively larger fixed costs facing these households. Each year these poverty thresholds are adjusted for inflation using the Consumer Price Index

(CPI). The poverty rate is a measure of the proportion of the population living below the poverty threshold.

For the period 1979 and 1980 the percentage of the population classified as living below the poverty level jumped from 11.6% to 13.0%. This rate of increase is the largest since the index was begun in 1959, and the highest rate reported since 1967. During 1980 there were 29.3 million persons in poverty, an increase of 3.2 million over 1979.

Over 100 different official poverty income thresholds are reported. They reflect different requirements of families according to size and composition, sex and age of the family head, and residence (farm or non-farm). Table 1 shows how the 1980 poverty thresholds varied with respect to family size and place of residence as estimated by the Census Bureau. For 1980 the poverty threshold for a non-farm family of four was reported to be $8,414. It is useful to note that the average family size reported in the March 1980 Current Population Survey was 3.28 persons.

TABLE 1.—AVERAGE POVERTY INCOME THRESHOLDS IN 1980

Family size	Total	Non-farm	farm
1 person	$4,184	$4,190	$3,539
2 persons	5,338	5,363	4,502
3 persons	6,539	6,565	5,573
4 persons	8,385	8,414	7,170
5 persons	9,923	9,966	8,472
6 persons	11,215	11,269	9,613
7 persons	13,883	13,955	11,915

Source: Department of Commerce, Bureau of the Census.

During 1959, the first year for which data on poverty are available, the poverty income threshold for a non-farm family of four was nearly 55% of the median family income. By 1980 that ratio had declined to 40%. To the extent that there is real growth in median family income, that is, growth in excess of the CPI, this ratio will tend, typically, to decline.

Between 1959 and 1969 there was a decline in the overall poverty rate during each year (see Table 2). During this same period the rate for whites declined from 18.1% to 9.5%, while the rate for blacks, which was 55.1% in 1959, fell to 32.2% in 1969. This period was one of relatively steady economic growth and significant declines in the unemployment rate.

By contrast, between 1970 and 1980 the poverty rate increased in four years and declined in six, but resulted in a net increase or 0.4 percentage points over the period. An historic low point of 11.1% came in 1973, just prior to the deepest recession of the post-war period. In contrast to the 1960s, the decade of the 1970s was characterized by halting economic growth and generally higher unemployment rates. The absence of marked improvement in the proverty rate was evident for both whites and blacks.

TABLE 2.—POVERTY RATES BY RACE, 1959–80

Year	Percent			
	All persons	White persons	Black persons	Hispanic persons
1959	22.4	18.1	55.1	NA
1960	22.2	17.8	NA	NA
1961	21.9	17.4	NA	NA
1962	21.0	16.4	NA	NA
1963	19.5	15.3	NA	NA
1964	19.0	14.9	NA	NA
1965	17.3	13.3	NA	NA
1966	14.7	11.3	41.8	NA
1967	14.2	11.0	39.3	NA
1968	12.8	10.0	34.7	NA
1969	12.1	9.5	32.2	NA
1970	12.6	9.9	33.5	NA
1971	12.5	9.9	32.5	NA

TABLE 2.—POVERTY RATES BY RACE, 1959–80—Continued

Year	Percent			
	All persons	White persons	Black persons	Hispanic persons
1972	11.9	9.0	33.3	22.8
1973	11.1	8.4	31.4	21.9
1974	11.2	8.6	30.3	23.0
1975	12.3	9.7	31.3	26.9
1976	11.8	9.1	31.1	24.7
1977	11.6	8.9	31.3	22.4
1978	11.4	8.7	30.6	21.6
1979	11.6	8.9	30.9	21.6
1980	13.0	10.2	32.5	25.7

Source: Department of Commerce, Bureau of the Census.

Since the poverty rate only measures the relative size of the poor population it cannot indicate the extent to which individuals are able to move up the income distribution and out of poverty. Although there are those who are caught in a perpetual cycle of poverty, there are two potential reasons to expect some individual income mobility. First, individuals usually experience regular increase in income as they become older due to gains in work experience and seniority. Incomes may increase as a result of an increase in individual productivity. Second, incomes may increase as a result of an increase in individual productivity, educational level, or even good luck.

Demographic factors may also have effect on the poverty rate. During the 1970s three trends were identified which appear to be important in determining the growth of family income. First has been the entrance of the "baby boom" generation into the labor force. Three younger workers tend to earn less and their relative lack of training tends to lower their productivity. Second, the number of family households maintained by women with no husband present has been increasing. These families generally have lower incomes than married couples and constitute a large share of the poverty population. In 1979 nearly 50% of all poor families had a female head of household. Third, married women constitute an increasing share of the labor force. As the number of working couples rises, growth in family income will most likely increase.

In using these figures in should be noted that some analysts have challenged the usefulness of the proverty threshold measure on the grounds that it evaluates the welfare of poor households in terms of a constant minimum quantity of comsumption goods and services and does not take account of the relationship between poverty income levels and the incomes of others in the society. These critics would have the poverty line defined relative to other income measures. If this were the case, with each increase in real income (for instance, for each increase in real median family income) there would be an increase in the income level used to delineate those considered to be living in proverty. As a consequence the poverty rate could be reduced only by reducing the degree of inequality of income distribution.

Another difficulty with available measures of poverty, as perceived by some analysts, is that they are not calculated on a regional basis. Studies by the Bureau of Labor Statistics have determined that geographical variations in the cost of living at the poverty level are not significant. Nonetheless, it has been suggested that the availability of certain services, such as medical care and transportation, varies geographically and affects the way in which low income families manage their budgets.

Furthermore, annual income surveys performed by the Census Bureau to determine the extent of poverty do not provide information on capital gains or in-kind transfers such as food stamps, Medicare, Medicaid, and public housing. Only money income is measured, and this measure includes social security and supplemental security income payments as well as unemployment compensation. The omission of the items identified undoubtedly results in some understatement of the ability of the poor to attain a standard of living above the poverty level. Their omission thus means that the reported poverty rate tends to exaggerate the proportion of the population whose standard of living is below that indicated by the poverty threshold.

ANN. These are census figures on the persons at 100 percent poverty level in the 50 states as of 1979, compared with the number at or below 125 percent poverty

level. We subtracted the latter from the former to generate the number of persons in each state who would be added to the OCS-eligible pool were the OCS authorization to specify a 125 percent poverty level for OCS program qualificants. Obviously we do not know how many more people receiving SSI there are in the six states with SSI levels above 125 percent. Only in Alaska's case is there an SSI limit above 125 percent for single persons; in Alaska, California, Colorado, Connecticut, Massachusetts, and Wisconsin couples have SSI incomes over 125 percent. I denoted those states by scribbling in what appear to be fractions next to the state's name, generally as, in California's case, $^{2}/_{1.77}$. This means that for a couple in California the SSI limit is 177 percent of the poverty line.

Scientific this is not, but we mean well.

PAT FULTON.

State	Number of people	Number of people below 125 percent	Difference
Alabama	683,792	933,571	249,779
Alaska ($^{1}/_{1.43} + ^{2}/_{1.66}$)	39,075	52,532	13,457
Arizona	331,102	478,266	147,164
Arkansas	417,264	576,308	159,044
California ($^{2}/_{1.77}$)	2,611,160	3,690,346	1,079,186
Colorado ($^{2}/_{1.43}$)	288,834	397,359	108,525
Connecticut ($^{2}/_{1.52}$)	261,990	348,021	86,031
Delaware	68,530	93,468	24,938
District of Columbia ($^{2}/_{1.001}$)	115,032	143,011	27,979
Florida	1,245,101	1,730,691	485,590
Georgia	868,818	1,163,248	294,430
Hawaii	92,045	132,157	40,112
Idaho	117,772	170,021	52,249
Illinois	1,284,165	1,672,002	387,837
Indiana	522,822	731,184	200,362
Iowa	266,318	377,921	111,603
Kansas	231,542	330,750	99,208
Kentucky	656,696	862,548	205,852
Louisiana	777,332	976,927	199,595
Maine	140,024	208,836	68,812
Maryland	409,072	555,602	146,530
Massachusetts ($^{2}/_{1.35}$)	546,569	772,079	225,510
Michigan	1,004,214	1,351,009	346,795
Minnesota	369,508	526,479	156,971
Mississippi	599,851	772,078	172,227
Missouri	592,295	829,046	236,751
Montana	94,989	136,519	41,530
Nebraska	158,553	224,051	65,498
Nevada	67,022	95,385	28,363
New Hampshire	77,861	114,158	36,297
New Jersey	699,435	968,763	269,328
New Mexico	222,408	305,781	83,373
New York	2,344,499	3,124,342	779,843
North Carolina	827,331	1,153,040	325,709
North Dakota	79,925	115,128	35,203
Ohio	1,108,256	1,519,749	411,493
Oklahoma	390,875	530,677	139,802
Oregon	290,918	404,361	113,443
Pennsylvania	1,213,158	1,691,554	478,396
Rhode Island	93,732	131,643	37,911
South Carolina	479,033	659,594	180,561
South Dakota	107,091	145,210	38,119
Tennessee	760,068	997,342	237,274
Texas	2,054,894	2,763,600	708,706
Utah	153,677	218,776	65,099

State	Number of people	Number of people below 125 percent	Difference
Vermont	55,663	82,224	26,561
Virginia	594,434	814,917	220,483
Washington	409,586	578,517	168,931
West Virginia	276,447	376,824	100,377
Wisconsin (2/1.47)	388,236	558,041	169,805
Wyoming	36,844	51,920	15,076

Poverty Level, State/Federal SSI Payment Comparison

There are six states whose combined SSI and supplement payments raise a single person's income above the national poverty rate. The poverty rate (monthly) for a single person is $397.50 (1983). The federal SSI payment to an individual over 65 is $314 (1983). The six states which fall into this category, their monthly combined SSI and state supplement payments and their percentage of the national poverty rate follow:

States	Monthly payment	Percentage of poverty level
Alaska	$566.00	1.43
California	477.00	1.20
Connecticut	480.00	1.21
Idaho	402.00	1.02
Massachusetts	442.00	1.12
Wisonsin	413.70	1.04

There are nineteen states whose combined SSI and supplemental payments raise a two person household above the national poverty rate for a couple. The proverty rate (monthly) for a two-person household is $501.67 (1983). The federal SSI payment to a two-person household where at least one person is over 65 is $472 (1983). The nineteen states which fall into this category, their monthly combined SSI and state supplement payments and their percentage of the national poverty rate follow:

States	Monthly payment	Percentage of poverty level
Alaska	$830.00	1.66
California	886.00	1.77
Colorado	744.00	1.49
Connecticut	760.00	1.52
District of Columbia	502.00	1.001
Idaho	530.00	1.06
Massachusetts	673.72	1.35
Michigan	508.40	1.02
Minnesota	538.00	1.08
Nebraska	579.50	1.16
Nevada	546.46	1.09
New York	548.03	1.10
Oklahoma	616.00	1.23
Pennsylvania	520.70	1.04
Rhode Island	570.30	1.14
Vermont	563.00	1.13
Washington	508.40	1.02
Wisconsin	633.00	1.27
Wyoming	512.00	1.02

[From U.S. Department of Commerce News, Feb. 24, 1984]

Including Noncash Benefits Lowers Poverty Estimates, Census Bureau Reports

Estimates of the population below the poverty level in the U.S. would be significantly lower if the value of noncash benefits such as food, housing, and medical care were included in the determination of poverty status, according to an exploratory study by the Commerce Department's Census Bureau.

Counting noncash benefits as income would reduce the poverty rate between 9 and 33 percent in 1982, depending on the benefits counted and the method used to count them.

The Census Bureau reported in August that 34.4 million, or 15 percent of the population, were officially below the poverty level in 1982 if only cash income is counted. But, including the value of food stamps, free or reduced price school lunches, public or other subsidized housing, Medicaid, and Medicare reduces the estimate for 1982 to between 22.9 million (10.0 percent) and 31.4 million people (13.7 percent). See Table 1.

The official number of poor based on money income alone, increased by 8.3 million between 1979–82. See Figure 1. The official poverty rate increased from 11.7 to 15.0 percent over this period, an increase of 28 percent. See Figure 2.

When noncash benefits are included, the number of poor and the poverty rate also increased from 1979 to 1982. The number of poor increased between 7.8 and 8.9 million, depending upon the valuation approach used. See Figure 3. The poverty rate after inclusion of noncash benefits rose faster than when based on money income alone. The rate of increase ranged from 37 to 47 percent, depending on the method used. See Figures 3.

The report, which is exploratory in nature, follows an earlier report issued in March 1982. This earlier report presented similar estimates of the effect of noncash benefits on poverty but only for 1979.

The study investigates three valuation approaches and three combinations of benefits, yielding nine different estimates of poverty. The three valuation approaches used in the study were:

(1) The market value approach assigns a value to the noncash benefit that is equal to the private market price of the goods and services received by recipients. For example, the market value of food stamps is the face value of the stamps.

(2) The cash equivalent approach assigns a value equal to the amount of cash that the recipient would accept in lieu of the goods or services. For example, a person might trade some of his food stamps for a lesser amount of cash which could be spent on other services or commodities.

(3) The poverty budget share approach does not attempt to value the noncash benefit directly, but, instead measures the amount by which the poverty threshold could be reduced for the family receiving the benefit. This reduction is equal to the average dollar amount of the goods or services consumed by households with money income approximately equal to the poverty level. Poverty budget share is a more limited valuation approach than the other two because it is relevant only for the purpose of determining poverty status.

Each of the valuation approaches was used to assign values to three different combinations of food, housing, and medical benefits. Because medical benefits represent such a large proportion of the total noncash benefits and because of various problems in valuing these benefits, one set of estimates was derived based on food and housing benefits alone. Further, the question of whether to include or exclude institutional health care benefits resulted in two additional estimates based on food, housing, and medical care.

The nine evaluation alternatives produced a wide range of poverty estimates as shown in Table 1 for 1979 and 1982. In 1979, the reduction in poverty ranged between 14 and 42 percent. As noted earlier, noncash benefit values reduced poverty rates by between 9 and 33 percent in 1982.

The effect of noncash benefits on the estimated number of poor varies for different subgroups of the population. Tables 2 and 3 show these effects after valuing food, housing, and medical benefits including institutional care for 1979 and 1982.

Noncash benefits have their largest effect on poverty estimates for the aged (people 65 years old and over) if the value of medical benefits, mainly in the form of Medicare, are included. The poverty rate for this group, 14.6 percent, in 1982 is reduced by as much as 76 percent to 3.5 percent when medical benefits are considered.

The poverty rate for Blacks, 35.6 percent, is reduced by as much as 40 percent while the poverty rate for whites is reduced by 31 percent in 1982, using the value of all food, housing, and medical benefits.

Counting noncash benefits as income lowers the poverty rate for people in families maintained by women, no husband present, by as much as 39 percent in 1982.

Estimating the value of noncash benefits is considered difficult and controversial by economists and social scientists. There are various strengths and weaknesses associated with each valuation approach and with the data used in estimations. Details of these problems are discussed in the report.

The report cautions that there are several important limitations associated with these estimates:

First, some argue that it is inappropriate to use the current poverty level based on money income alone if the value of noncash benefits are included as income.

Second, most (90 percent), but not all noncash benefits received by the low-income population were included in this analysis.

Third, household surveys in general fail to account for all of the income and noncash benefits received, causing an overestimate of the poverty population. It is very difficult to determine the amount of overestimation caused by this particular problem.

The official poverty level, which varies by family characteristics, was $7,386 in 1979 and $9,862 in 1982 for a family of four, as established by the Office of Management and Budget.

Copies of "Estimates of the Poverty Population Including the Value of Noncash Benefits: 1979-1982," Technical Paper No. 51, may be obtained from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

FIGURE 1.

Trends in the Number of Poor, With and Without Noncash Benefits 1979—1982

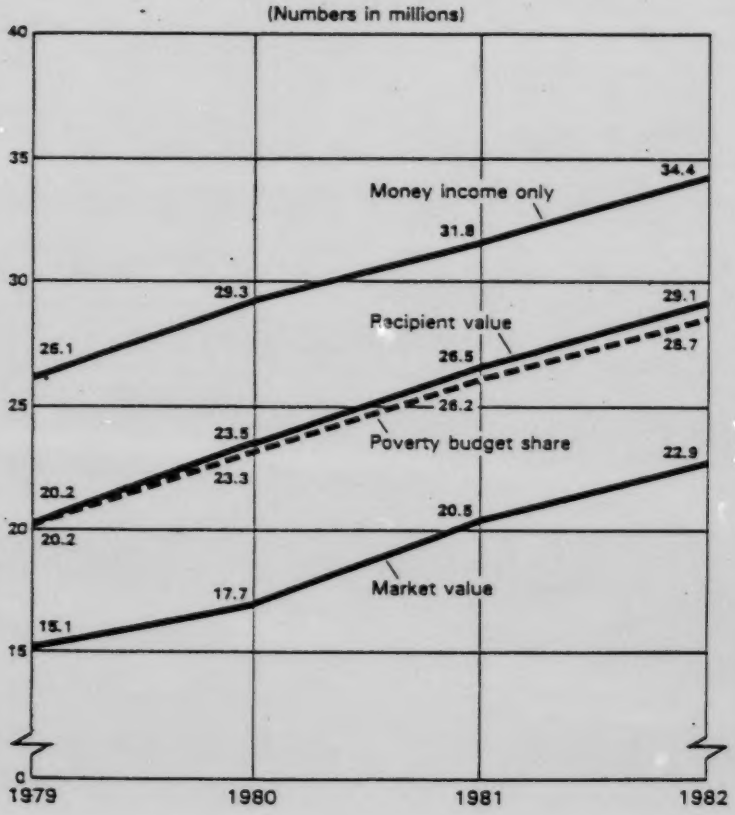


FIGURE 2.

Trends in the Poverty Rate, With and Without Noncash Benefits 1979—1982

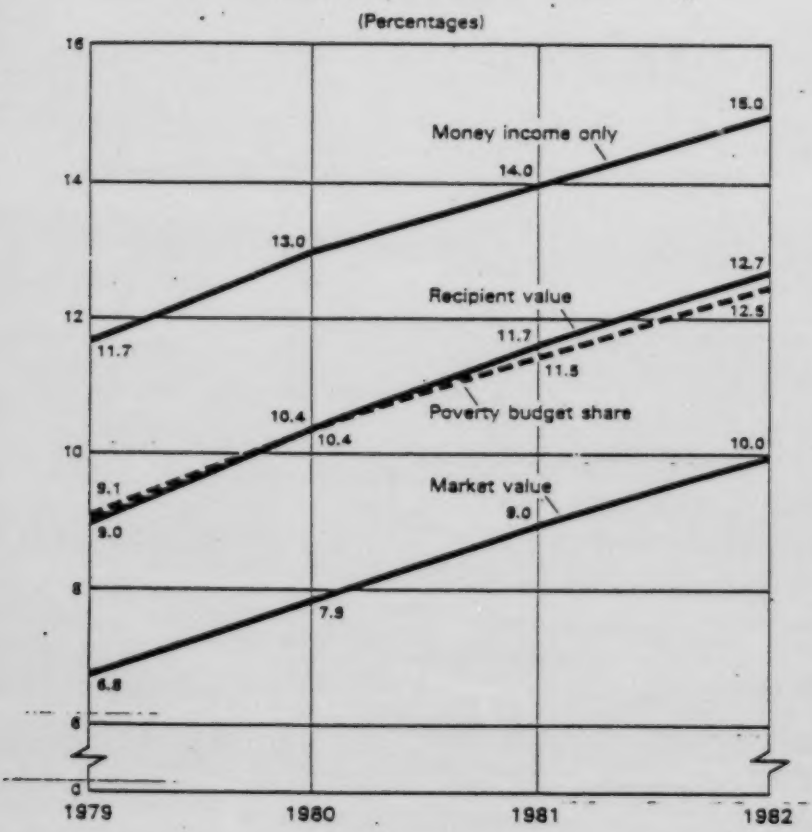
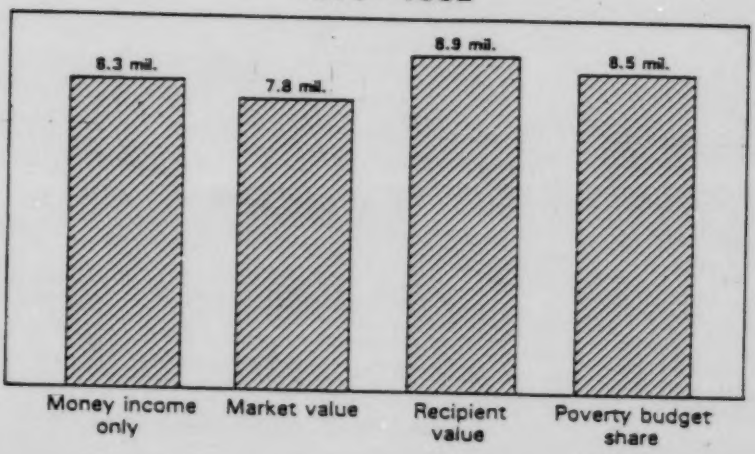


FIGURE 3.

Increase in the Number of Poor
1979—1982



Percent Increase in the Poverty Rate
1979—1982

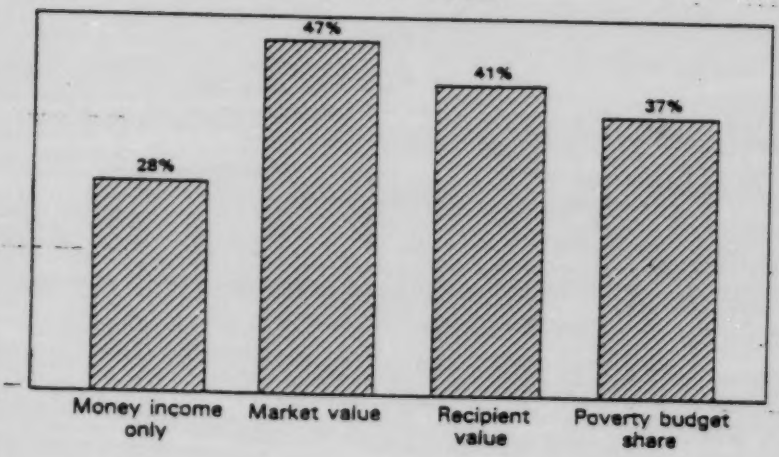


Table 1. Poverty Rates for Persons Using Money Income Concept, Alternative Valuation Methods, and Combinations of Noncash Benefits Valued: 1982 and 1979

(Percents)

Combinations of benefits valued	Current money income concept		Alternative Valuation Method					
			Money income and market value		Money income and cash equivalent value		Money income and poverty budget share value	
	1982	1979	1982	1979	1982	1979	1982	1979
Without valuing noncash benefits								
Number	34,398	26,072	34,398	26,072	34,398	26,072	34,398	26,072
Percent	15.0	11.7	15.0	11.7	15.0	11.7	15.0	11.7
Valuing food and housing benefits only								
Number	(X)	(X)	30,688	21,698	31,365	22,270	31,111	22,409
Percent	(X)	(X)	13.4	9.7	13.7	10.0	13.6	10.1
Valuing food, housing, and medical benefits, excluding institutional care								
Number	(X)	(X)	23,563	15,696	29,407	20,478	28,720	20,186
Percent	(X)	(X)	10.3	7.0	12.8	9.2	12.5	9.1
Valuing food, housing, and medical benefits, including institutional care								
Number	(X)	(X)	22,885	15,099	29,058	20,152	28,713	20,184
Percent	(X)	(X)	10.0	6.8	12.7	9.0	12.5	9.1

X Not applicable.

Table 2. Number of Persons Below the Poverty Level and Poverty Rate Using Money Income and Alternative Methods of Valuing Noncash Benefits Including Food, Housing, and Medical Benefits with Institutional Care: 1982

(Numbers in thousands)

Selected households characteristics	Current money income concept		Alternative Valuation Method					
			Money income and market value		Money income and cash equivalent value		Money income and poverty budget share value	
	Number	Poverty rate	Number	Poverty rate	Number	Poverty rate	Number	Poverty rate
Total	34,398	15.0	22,885	10.0	29,058	12.7	28,713	12.5
Race								
White	23,517	12.0	16,272	8.3	20,102	10.3	19,937	10.2
Black	9,697	35.6	5,839	21.5	7,982	29.3	7,811	28.7
Spanish origin	4,301	29.9	2,949	20.5	3,755	26.1	3,673	25.5
Region								
Northeast	6,364	13.0	3,579	7.3	5,102	10.4	4,971	10.1
North Central	7,772	13.3	5,189	8.9	6,720	11.5	6,610	11.4
South	13,967	18.1	9,588	12.4	11,841	15.3	11,854	15.3
West	6,296	14.1	4,528	10.1	5,395	12.1	5,279	11.8
Residence								
Inside metropolitan areas	21,247	13.7	13,809	8.9	17,863	11.5	17,547	11.3
Inside central cities	12,696	19.9	7,770	12.2	10,640	16.7	10,406	16.3
Outside central cities	8,551	9.3	6,039	6.6	7,223	7.9	7,141	7.8
Outside metropolitan areas	13,152	17.8	9,076	12.3	11,195	15.2	11,166	15.1
Age								
Under 65 years	30,647	15.0	21,973	10.8	26,659	13.1	26,242	12.9
65 years and over	3,751	14.6	912	3.5	2,399	9.3	2,471	9.6
Family Status								
In families	27,349	13.6	18,273	9.1	23,019	11.5	22,631	11.3
Married-couple families	14,839	8.9	10,572	6.4	12,547	7.5	12,534	7.5
Female householder, no husband present	11,701	40.6	7,137	24.8	9,788	33.9	9,417	32.7
Unrelated individuals	6,458	23.1	4,094	14.7	5,462	19.6	5,506	19.7

Table 3. Number of Persons Below the Poverty Level and Poverty Rate Using Money Income and Alternative Methods of Valuing Noncash Benefits Including Food, Housing, and Medical Benefits with Institutional Care: 1979

(Numbers in thousands)

Selected household characteristics	Current money income concept		Alternative Valuation Method					
			Money income and market value		Money income and cash equivalent value		Money income and poverty budget share value	
	Number	Poverty rate	Number	Poverty rate	Number	Poverty rate	Number	Poverty rate
Total	26,072	11.7	15,099	6.8	20,152	9.0	20,184	9.1
Race								
White	17,214	9.0	10,645	5.6	13,701	7.1	13,748	7.2
Black	8,050	31.0	3,867	14.9	5,747	22.2	5,741	22.1
Spanish origin	2,921	21.8	1,606	12.0	2,214	16.6	2,185	16.3
Region								
Northeast	5,058	10.4	2,299	4.7	3,640	7.5	3,607	7.4
North Central	5,639	9.7	3,238	5.6	4,388	7.6	4,343	7.5
South	11,098	15.0	6,772	9.2	8,620	11.7	8,753	11.8
West	4,276	10.1	2,789	6.6	3,504	8.3	3,482	8.2
Residence								
Inside metropolitan areas	16,134	10.7	9,178	6.1	12,445	8.2	12,379	8.2
Inside central cities	9,720	15.7	4,999	8.1	7,159	11.6	7,110	11.5
Outside central cities	6,415	7.2	4,179	4.7	5,285	5.9	5,269	5.9
Outside metropolitan areas	9,937	13.8	5,921	8.2	7,707	10.7	7,805	10.9
Age								
Under 65 years	22,390	11.3	14,066	7.1	17,848	9.0	17,806	9.0
65 years and over	3,682	15.2	1,033	4.3	2,304	9.5	2,378	9.8
Family Status								
In families	19,964	10.2	11,258	5.7	15,056	7.7	15,006	7.7
Married-couple families	10,074	6.1	6,471	3.9	7,895	4.8	8,002	4.9
Female householder, no husband present	9,400	34.9	4,473	16.6	6,772	25.2	6,607	24.5
Unrelated individuals	5,743	21.9	3,537	13.5	4,745	18.1	4,830	18.5

Table 4. Percent Change in the Number of Persons Below the Poverty Level and Percent Change in the Poverty Rate Using Money Income and Alternative Methods of Valuing Noncash Benefits Including Food, Housing, and Medical Benefits with Institutional Care: 1979 and 1982

Selected household characteristics	Current money income concept		Alternative Valuation Method					
			Money income and market value		Money income and cash equivalent value		Money income and poverty budget share value	
	Number	Poverty rate	Number	Poverty rate	Number	Poverty rate	Number	Poverty rate
Total	31.9	28.2	51.6	47.1	44.2	41.1	42.3	37.4
Race								
White	36.6	33.3	52.9	48.2	46.7	45.1	45.0	41.7
Black	20.5	14.8	51.0	44.3	38.9	32.0	36.1	29.9
Spanish origin	47.2	37.2	83.6	70.8	69.6	57.2	68.1	56.4
Region								
Northeast	25.8	25.0	55.7	55.3	40.2	38.7	37.8	36.5
North Central	37.8	37.1	60.3	58.9	53.1	51.3	52.2	52.0
South	25.9	20.7	41.6	34.8	37.4	30.8	35.4	29.7
West	47.2	39.6	62.4	63.0	54.0	45.8	51.6	43.9
Residence								
Inside metropolitan areas	31.7	28.0	50.5	45.9	43.5	40.2	41.7	37.8
Inside central cities	30.6	26.8	55.4	50.6	48.6	44.0	46.4	41.7
Outside central cities	33.3	29.2	44.5	40.4	36.7	33.9	35.5	32.2
Outside metropolitan areas	32.4	29.0	53.3	50.0	45.3	42.1	43.1	38.5
Age								
Under 65 years	36.9	32.7	56.2	52.1	49.4	45.6	47.4	43.3
65 years and over	1.9	-3.9	-11.7	-18.6	4.1	-2.1	3.9	-2.0
Family Status								
In families	37.0	33.3	62.3	59.6	52.9	49.4	50.8	46.8
Married-couple families	47.3	45.9	63.4	64.1	58.9	56.3	56.6	53.1
Female householder, no husband present	24.5	16.3	59.6	49.4	44.5	34.5	42.5	33.6
Unrelated individuals	12.4	5.5	15.7	8.9	15.1	8.3	14.0	6.5

United States Conference of Mayors Status Report: Emergency Food, Shelter, and Energy Programs in 20 Cities

Summary

To assess the current status of emergency service needs and joblessness in the 20 cities represented on the Conference of Mayors' Task Force on Joblessness and Hunger, the mayors of those cities were asked to provide information on the demand for emergency services—food, shelter, energy assistance—during 1983, the anticipated demand for those services in 1984, local unemployment conditions, and the impact that these factors are having on people in their communities. All twenty responded with information on their local situation.

The demand for food assistance increased during 1983 in 95 percent of the cities. The average amount of the increase was 71 percent.

The demand for shelter increased in 89 percent of the cities during 1983. The average increase was 38 percent.

The demand for energy assistance increased in three out of every four of the cities during 1983. The average amount of the increase was 38 percent.

Unemployment is cited as a chief cause of the increase in demand by 90 percent of the cities; the high cost of basic necessities is cited by 85 percent of the cities; cuts in federal nutrition and other programs is cited by 75 percent of our cities.

Half of the cities estimate that local agencies are not able to meet the demand for food; fifty-three percent are not able to meet the demand for shelter; eighty percent are unable to meet the demand for energy assistance.

In 18 of the 20 cities, the city government provided funds to meet emergency service needs. Local government and the federal government each were the source for 46 percent of these funds; state governments provided eight percent.

Among the cities which provided funds to meet emergency service needs, 85 percent used the funds for food assistance, 75 percent used the funds for shelter, and 65 percent used the funds for energy assistance.

Unemployment improved in 70 percent of the cities during 1983. Sixty-five percent expect it to improve during 1984.

Seventy percent of the cities expect the demand for emergency services to increase during 1984; ten percent expect it will decrease; twenty percent expect it will stay the same.

The Increase in the Demand for Emergency Services During 1983

The demand for all emergency services increased significantly during 1983, despite the fact that many of the cities reporting experienced an improvement in their unemployment situation. In none of the cities did the demand for food or shelter decrease and in only one, East Orange, did the demand for energy assistance decrease.

Emergency food assistance

Ninety-five percent of the cities, 19 out of 20, report that the demand for food assistance increased during the year. The average increase was 71 percent, ranging from 20 percent in Denver at 250 percent in Seattle. Indeed Seattle officals indicate that since 1980 there has been a six-fold increase in the demand for emergency food. At just one of the 70 soup kitchens now operating in New York City, the Holy Apostle's Church, the number of people fed at each meal increased from 25 when the kitchen first opened in October, 1982 to over 400 a day by the end of 1983. San Antonio distributed 1.0 million pounds of food in 1982 and over twice that amount, or 2.3 million pounds, in 1983.

Shelter

The demand for emergency shelter increased in 89 percent of the cities during 1983. The average increase was 38 percent, ranging from 12 percent in Nashville to 100 percent in Salt Lake City. Seattle officials indicate that while the demand for shelter increased by 26 percent in 1983, the demand has increased by 200 percent since 1980.

Charleston reports that there has been a decrease in the ability of families and individuals, especially the new poor, to meet and mortgage payments. Cleveland shelters served growing numbers of families, with one or both parents plus the children. Chicago officials indicate that the numbers of families in need of shelter increased significantly. In New Orleans there is no shelter with facilities that can house families. Consequently, family members are sometimes separated in housing quarters that are miles apart. San Antonio officials cited transients and other home-

less and displaced persons as the principal cause for the increased demand for shelter. The number of families sheltered by New York City in 1983 grew 142 percent over that in 1982, from 950 to 2300; the number of individuals sheltered increased from 4250 in 1982 to 5900 in 1983, or 39 percent.

Energy assistance

The demand for energy assistance increased in 15, or 75 percent, of the cities during 1983; stayed the same in four cities; and decreased in one. The average amount of the increase was 38 percent, ranging from 10 percent in Chicago to 64 percent in Cincinnati.

Louisville reports that utility cut-offs have tripled in the last year and that Louisville Gas and Electric has the highest delinquency rate in its history. More than 2000 households were without gas or electricity at the beginning of December. Energy assistance funds are going quickly. In New Orleans at least two energy assistance programs were discontinued during 1983, even though the demand for services increased significantly.

CAUSES OF THE PROBLEMS

City officials were asked to identify what they believe to be the chief cause) of the demand for emergency assistance. Ninety percent of them cite unemployment as a principal cause of the problem of emergency needs in their city; 85 percent identify the high cost of basic necessities such as food, housing, fuel and medical care as a major factor; and 75 percent cite cuts in federal nutrition and other programs.

Other causes frequently mentioned include:

Low levels of assistance provided by AFDC, food stamps and other welfare programs which fail to meet needs adequately;

Lack of available low-cost housing; and,

Deinstitutionalization and insufficient services for mentally ill persons now living in the community.

City officials also cite other factors which have contributed to the problems of emergency needs in their communities. In San Antonio, for example, many of the people who migrate to the city from other areas in search of jobs are unable to find employment and subsequently find themselves in need of emergency assistance. Cincinnati officials point out that the demand for emergency assistance has increased as more and more people exhaust their unemployment benefits.

THE UNMET NEED FOR EMERGENCY SERVICES

In half of the cities studied, local agencies are unable to meet the demand for emergency food assistance. They include: Chicago, Denver, Detroit, Kansas City, Louisiville, Nashville, New Orleans, San Antonio, San Juan, and Seattle. Fifty-three percent of the cities are unable to meet the demand for shelter. Included among these are Charleston, Chicago, Detroit, Kansas City, Nashville, New Orleans, San Francisco, and Seattle. The demand for energy assistance is being met by local agencies in only 20 percent of the cities. The eighty percent unable to meet that demand include Charleston, Chicago, Cincinnati, Denver, Detroit, Kansas City, Louivsville, New Orleans, San Juan and Seattle.

Washington, D.C. officials expressed concern that while local agencies are able to meet all of the demand for food shelter, and energy assistance, they are convinced that there are many people in need who do not request assistance. New York City indicates that the city serves all those who seek assistance. To reach as many people as possible, special efforts are made to make low-income persons aware of the services available to them. The Food Training Education Nutrition project informs potentially eligible recipients about the Food Stamp Program. Outreach teams with mobile vans seek out and offer assistance to homeless people.

In San Antonio, the food bank has expanded considerably since it was established in 1979 and now provides food to 115 agencies. This has helped to meet a significant portion, but not all, of the demand for food. While Cleveland officials report that the demand for food is being met by local agencies, they indicate that occasionally certain food distribution centers run low on food. Similarly there are instances when families cannot immediately be sheltered because of their special needs, although the need for shelter is generally being met. Detroit reports: "Energy assistance demand exceeds our funding each year. With more funds for handling and processing surplus food, more USDA commodities and continuation of recent programs, agencies could meet the food and shelter demands." Charleston reports that area churches are able to meet the demand for food assistance, but the resources to pro-

vide shelter and energy assistance are limited and stop-gap measures must often be found.

Funds for energy assistance have not been sufficient in Kansas City, especially during severe winter months. Energy providers confirm that hundreds of household are without services because they have not paid their bills. The magnitude of the problems makes it impossible for local agencies to fill the gap. The city has established a temporary shelter program for people without heat. It has not been fully utilized, however, because people are reluctant to leave their homes and often improvise with secondary sources, which have led to several fires. Many people go to public buildings and libraries to keep warm during the day.

Several cities describe the personal problems faced by those who go unserved. In Seattle there are many hungry individuals, and many more with an inadequate diet. Many homeless people sleep in cars. Unless they receive energy assistance growing numbers of families have their utilities cut off, are evicted, or use their limited resources for heat rather than for food. Detroit officials give examples of people eating dog food, shivering in unheated homes, living in abandoned buildings, sleeping in alleys, behind buildings or near heating vents. In New Orleans persons who go unserved generally sleep in cars, tents, doorways, abandoned houses and cars, and obtain their meals by begging on the streets. Similarly, people without shelter in San Francisco have been found sleeping in cars, parks, abandoned buildings and store fronts. Denever sums it all up by saying: "Many are probably evicted; many are homeless; many are malnourished."

CITY FUNDING OF EMERGENCY SERVICES

In the past year, mayors and their city governments, usually in cooperation with the private sector, have undertaken efforts to alleviate the growing problems of emergency needs in their communities. Many of those efforts have involved non-financial contributions such as making available city-owned property to house private emergency service programs, organizing food drives and fund raising activities, establishing emergency hotlines, and undertaking activities aimed at raising public awareness of the problems. City governments have also provided funds to help meet emergency needs. Very often, they have been able to do so by diverting funds from other needed human services.

The twenty cities surveyed were specifically asked to provide information regarding their financial contribution to emergency services programs. Ninety percent of them report that they have provided funds to support emergency services. Forty-six percent of these funds came from local governments, 46 percent came from the federal government and eight percent came from state government.

At the same time, half the cities indicate that they were forced to reduce services and/or personnel in the past fiscal year in an attempt to balance their budget. Fifty percent of the cities had to make cuts in social services; 44 percent had to do so in transportation; 39 percent in sanitation and environment; and, 33 percent in public safety. Four cities had a budget deficit. In spite of this, all four provided significant funding to emergency service programs.

Among the cities that provided funds to meet emergency service needs, 85 percent used the funds for emergency food assistance, 75 percent used the funds for shelter, and 65 percent used the funds for energy assistance. Other emergency services mentioned include medical care, clothing, and a program established by the City of San Francisco to employ homeless persons.

The City of Denver spends approximately $17,000 each month to provide emergency food and shelter, in addition to supporting totally with local funds a General Assistance Program. Last year alone, San Antonio allocated $80,000 to support a local food bank, $350,000 for the renovation of a city-owned building for use as a shelter, $2 million in utility credits for elderly persons and $250,000 to support a privately-run shelter. Expenditures made by the City of New York last year to help meet the growing problem of emergency needs include: $20 million to provide temporary shelters for homeless families; $52 million to operate shelters for single adults; $160,000 to support a new central food bank; $20 million to renovate city-owned apartments which will be used as permanent housing for homeless families; and over $123,000 to help distribute surplus commodities. Approximately $2 million in local funds were spent in 1982 by the City of San Francisco to deliver emergency services.

JOBLESSNESS

Seventy percent of the cities indicate that the local unemployment situation improved during 1983. Included among those cities are Charleston, Cincinnati, Kansas City, Louisville, Nashville, New Orleans, New York, San Antonio, San Francisco,

San Juan and Seattle. Those cities which indicate that unemployment did not improve last year include Chicago, Cleveland, Washington D.C., Detroit, East Orange and Hartford.

Sixty-five percent of the cities expect the local unemployment situation to improve during 1984. They include Charleston, Hartford, Kansas City, Nashville, and New Orleans. Unemployment is not expected to improve during 1984 in Chicago, Cincinnati, Cleveland, Denver, Detroit, and East Orange. The District of Columbia anticipates that unemployment will rise during the early months of 1984 and then decline again near the latter part of the year, based on local employment trends of the last decade.

Several cities have identified the problem of discouraged workers. Chicage officials indicate that while the official unemployment figures have improved, they do not take into account the high numbers of discouraged workers. Cincinnati feels that the unemployment figures are understated, because there has been a tremendous increase in discouraged workers, and that the problems of structural unemployment need to be addressed. Cleveland officials indicate that the pool of discouraged workers, which is not counted in official unemployment statistics, is increasing. Detroit officials report that the official unemployment rate should continue to improve, but that the percentage of unemployed persons with benefits continues to decline and was at 13 percent in September, 1983.

The following table shows the October 1983 preliminary unemployment rates, the October 1982 unemployment rates, and the 1980 poverty rates for 20 cities included in this report.

	Unemployment rate		Poverty rate 1980
	October 1983	October 1982	
Charleston	7.0	8.1	21.8
Chicago	9.8	12.5	20.3
Cincinnati	11.6	14.0	19.7
Cleveland	15.1	17.2	22.1
Denver	5.0	7.6	13.7
Detroit	17.0	20.3	21.9
East Orange	7.4	10.0	20.1
Hartford	6.3	9.7	25.2
Kansas City	9.0	10.1	13.2
Louisville	9.8	10.6	19.3
Nashville	6.0	6.9	12.6
New Orleans	9.4	9.9	26.4
New York City	9.2	10.1	20.0
Parkersburg	N/A	N/A	14.2
Salt Lake City	7.6	9.1	14.2
San Antonio	5.9	6.7	20.9
San Francisco	7.2	9.2	13.7
San Juan	N/A	N/A	47.4
Seattle	9.4	11.5	11.2
Washington, DC	11.3	10.7	18.6

Sources: The unemployment data was provided by the Bureau of Labor Statistics. The poverty data was provided by the Bureau of the Census. The poverty rates shown are the most recent data available on a city basis, but do not reflect the recent increase in the national rate.

THE DEMAND FOR EMERGENCY SERVICES IN 1984

Seventy percent of the cities examined expect the demand for emergency services to increase during 1984, even though the majority of these cities anticipate that the unemployment situation will improve during 1983. Included among them are Chicago, Cincinnati, Denver, Washington, D.C., Detroit, Hartford, Kansas City, Louisville, New Orleans, New York City, San Antonio, San Francisco, San Juan and Seattle. Charleston and Nashville expect the demand for services will decrease in 1984. Cleveland and East Orange expect it to stay the same.

Cincinnati officials expect a 35 percent increase in demand for emergency services. Current trends in San Francisco indicate the demand for emergency services will grow in 1984, according to officials in that city. New York City officials expect a 10 percent increase in the number of homeless adults during 1984 and a 40 percent

increase in the number of homeless families. The demand for public assistance and food stamps is also expected to grow, at least in the short run. The caseload has increased significantly in both programs over the last year.

Detroit officials cite harsher weather this winter and more unemployed people exhausting their benefits as the cause for an expected increase in the demand for emergency services. In San Antonio it is anticipated that the cost of basic necessities will increase at levels greater than will earned income. Kansas City officials expect that although unemployment rates may improve, those on the margin or with no income and who are being supported by savings and friends may find the resources available to them insufficient to meet their basic needs. In New Orleans it is felt that the impact of the 1984 World's Fair coupled with continued high unemployment and further cuts in federal and state programs will probably keep the demand for emergency services high in 1984.

THE IMPACT ON PEOPLE IN CITIES

Most of the city officials supplying information for this report describe situations which, in their view, characterize the emergency service problems in their cities. Although the examples of problems vary considerably from one city to another, a number of common threads run through them.

Officials from cities across the country cite problems faced by people who have lost their jobs, exhausted their unemployment benefits and other resources, cannot find work, and must now rely on emergency assistance to survive. Very often they include two parent families with children who are ineligible to receive public assistance and are, therefore, without any income. Cities which describe this as a common situation include Cleveland, Hartford, San Antonio and Kansas City.

Those who do qualify for public benefits generally face excessive delays in obtaining the assistance they desperately need. In Cincinnati, for example, officials indicate that very often persons in need of emergency assistance are single parents who, after exhausting their unemployment benefits, must wait approximately six weeks before receiving public assistance. Meanwhile, the family may have no food available in the house and their utilities have been cut off.

For people receiving public benefits, the assistance often does not keep up with the rising cost of basic necessities such as housing, food and heating and, therefore, is insufficient to meet their needs. Officials in Detroit, for example, describe the following situations as typical: An elderly woman who lives alone has less than a dollar a day available for food after paying rent and utilities. A woman and her four children, after using all their food stamps, have no food in their house, but must wait at least several days before more stamps are available.

Problems faced by large numbers of mentally ill persons living in communities in need of basic services are also described. San Francisco officials report that individuals with emergency needs are oftentimes persons who are unable to care for themselves because of mental health or substance abuse problems. "Federal cutbacks," they add, "have left mentally unstable people without assistance." In Cincinnati, people in need of shelter and other emergency services include many individuals who were released from mental institutions or who were previously receiving outpatient treatment, but are no longer on medication. Other cities which consider deinstitutionalization and the unavailability of services needed by chronically mentally ill people in communities to be a major cause of the demand for emergency assistance include Chicago, Denver, and New York City.

In cities in the West and Southwest, people in need of emergency assistance have often migrated from other areas of the country in search of employment. Unale to find a job, these transients, including families with children, find themselves with no resources and having to depend on food banks, shelters, and other emergency services for survival. Seattle officials report that more than half of those requesting emergency assistance come from other areas. In San Antonio the large numbers of transients who come to the city are considered to be a chief cause of the demand for emergency services. Salt Lake City officials describe the people in need in their city as 40 percent habitual transients who pass through enroute to warmer climates in Southern California or Arizona, 50 percent single males from other states or regions looking for work, and 10 percent families or single women.

Two groups which, according to information provided by city officials, are in particular need of emergency assistance are families headed by a female single parent and elderly persons. In Charleston, officials indicate that half of the female-headed families and 22 percent of the city's elderly population live below the poverty level and, therefore, are more prone to be in need of emergency assistance. In San Francisco, people in need of emergency assistance typically include single mothers and

their children who are unable to pay the rent and meet other basic necessities. Other cities which describe emergency service problems affecting single-parent households and/or elderly persons include New York City, Detroit, Seattle, and Washington, D.C.

In cities across the country, officials can provide case studies that reflect critical emergency problems faced by people in their communities. The following are specific examples:

In Cleveland, the family of an unemployed auto worker receives assistance from an emergency food center. Pride, however, has prevented the husband from requesting help for himself. To make it easier for them to qualify for public assistance, the man deserted his family. He has remained in the area, however, sleeping in emergency shelters and desperately in need of counseling to help him restore his sense of dignity and to eventually reunite him with his family.

Louisville officials describe the situation faced by a young family in which the husband, who recently lost his job, is unable to provide for himself and his pregnant wife. While waiting to receive food stamps, the couple ran out of food and, for the first time in their lives, had to seek help from an emergency food center which provided them with two bags of groceries.

While making a routine patrol, New Orleans police found a family living in a bus. The family had migrated from Texas in hopes of improving their financial situation. Supplemental Security Income assistance which the father had been receiving had been cut off, and the family had no other income. Through the efforts of local citizens, the family was able to secure housing, food and clothing.

In Kansas City a family of five who were without any income spent forty days going from one emergency shelter to another. The father has been unable to find work. Because it includes an employable adult, the family is ineligible to receive public assistance.

In New York City a woman on public assistance and her three children were evicted from their apartment because they were unable to meet the rent payments. (The rent exceeded her public assistance shelter allowance by $40 a month). For the past six months, the family has lived in a hotel where they were placed by the City's Human Resources Administration (HRA). Although HRA has been trying to help the family in locating permanent housing, they have been unable to find a habitable apartment with a rent below the current shelter ceiling for a family of four ($270). The hotel where the family currently lives has no cooking facility so the family has been eating prepared food or eating out, both of which are expensive. As a result, their monthly allotment of food stamps are frequently exhausted before they receive the next benefits and the family must rely on a nearby soup kitchen for their food.

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Head Start Research: A New Chapter

by Raymond C. Collins and Dennis Deloria

A group of Head Start parents meet in the Children's Room of a library in Erie, Pa., to learn more about the books available for their young children and their older brothers and sisters.

As Head Start celebrates its 18th birthday, an exciting new chapter is being written about Head Start research findings. It confirms and extends the positive findings that have surfaced in recent years on Head Start's performance.

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The project responsible for this chapter is the Head Start Synthesis, Evaluation and Utilization Project, conducted by CSR, Inc., a private research firm in Washington, D.C., under contract with the Administration for Children, Youth and Families (ACYF), OHDS.

Like earlier literature reviews, the project has collected many research and evaluation reports about Head Start for the purpose of summarizing the overall findings. However, this latest initiative differs from earlier efforts in the immense volume of reports collected over a long period of time and in the approach to analyzing and summarizing the results. Thus far, the project has located over 1,500 reports, dating from 1965 to the present. (Previous studies reviewed, at best, half that number.) Moreover, the project, which began in October 1981, will continue to compile and review emerging Head Start evidence into the latter part of 1984.

The Head Start Synthesis Project will produce a total of 12 reports: five on program outcomes;

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five that deal with policy issues; an annotated bibliography and traditional literature review; and a compilation of congressional documents pertaining to Head Start. They will be issued first in preliminary form. During the final stage of the project, the reports will be revised (to incorporate additional available data) and released together with a non-technical summary. Four of the reports will be published later this summer.[2]

Meta-analysis

The outcome and policy reports will use an innovative methodology, called *meta-analysis*, for summarizing the findings. Meta-analysis is a way of combining findings across different reports *quantitatively*, making it possible not only to find out whether Head Start had an impact but to describe how big that impact was.

In addition, meta-analysis has the benefit of using a scientific and mathematical set of steps that can be replicated by other evaluators, facilitating review and criticism by the research, policy and program communities as well as interested citizens. Previous research reviews were based primarily on "artful judgments" made by individuals or teams of researchers. Such judgments constitute educated opinions and, as such, are not always subject to scientific validation. As a result, the experts are prone to argue among themselves about important questions. In contrast, meta-analysis is expected to provide a framework for an evolving consensus about the worth of Head Start.

Head Start Effects on Cognitive Development

The most prominent, consistent and clear-cut finding to emerge from the project to date is that *Head Start produces substantial gains in children's cognitive and language development*. This finding gives strong confirmation in both quantitative and qualitative terms of the benefits of Head Start.

Moreover, the data reveal that Head Start has grown more effective over the years. The impact of

are not recorded for children with other handicapping conditions.

Head Start Effects on Health

Head Start programs universally provide meals and snacks, immunizations, diagnosis, treatment and other health services to alleviate the serious health and nutritional problems of poor and minority children. High percentages of children receive medical screening, and of those needing treatment many, but hardly all, receive it.

After receiving Head Start services, children in the program generally improve in hemoglobin levels, motor control and physical development relative to comparison children. They are more likely to be of normal height and weight, to have fewer absences from school and to perform better on physical tests.

The number of Head Start children immunized is 80 percent or better, although migrant children experience greater difficulties in being immunized and gaining access to other health services.

The dental status of Head Start children is usually poor at enrollment but a large proportion receive screening accompanied by treatment, as needed. This is in sharp contrast to the limited availability of dental services for preschoolers of low-income and minority families nationwide. Children in migrant Head Start programs are less likely to be screened and treated for dental needs than children in non-migrant Head Start programs.

Twelve percent of the children in Head Start have been professionally diagnosed as handicapped. Although Head Start is serving a number of severely and profoundly handicapped children, the majority are classified as mildly to moderately handicapped. Handicapped children receive the full range of health and other Head Start services, as well as special education and other services targeted on their special needs.

Head Start Effects on Families

Head Start provides many and varied opportunities for parents to become involved as members of policy councils, as volunteers in the classroom, in nurturing their own child's learning and development and in other capacities. Two parents volunteer for every three children enrolled. Parents comprise a majority of policy council members and committee participants. Most teachers reported that they had worked with parents in activities that they could perform at home with their children.

Nearly all parents report satisfaction with the program's accomplishments for their children. For themselves, some parents report important changes in educational or economic status leading to greater family self-sufficiency, but no studies were devoted primarily to this issue. Some reports noted benefits to parents in terms of control over their own lives, general satisfaction with their lives and enhanced self-confidence. Increased parental involvement appears to be positively related to increased achievement in children, but the full significance of this relationship is not clear from the available research.

Head Start Effects on the Community

Head Start has an economic impact on communities by providing jobs and services. It also encourages the coordination of community social services, but the evidence is mixed on whether it increases the utilization of these services.

By increasing parental involvement in their children's schools and encouraging visits between preschool and kindergarten classrooms, Head Start programs have positive influences on schools. There is some evidence that Head Start increases parental participation in the community, but the only nationwide study in this area also indicates that the parents most active in Head Start were involved in their communities prior to entering the program.

Summary

Taken as a whole, these preliminary findings present a positive picture of Head Start's effectiveness. The findings to date are generally drawn from the traditional literature review, supplemented by the meta-analysis in the area of cognitive development. Future reports, which will furnish critical refinements and detailed documentation of these outcomes, will enable decision makers, researchers, local program practitioners, parents and other interested persons to obtain a clearer appreciation of the results of a child's and family's participation in Head Start and of those program features most instrumental in eliciting those outcomes. ■

See, for example, Ada Jo Mann, *et al.*, *A Review of Head Start Research Since 1969*, Social Research Group, George Washington University, July 1977; Edward Zigler, Susan Muenchow, *et al.*, *Head Start in the 1980s: Review and Recommendations*, A Report Requested by the President of the United States, September 1980, Head Start Bureau, Administration for Children, Youth and Families, Office of Human Development Services, Department of Health and Human Services; Edward Zigler and Jeanette Valentine, (Eds.), *Project Head Start: A Legacy of the War on Poverty*, New York, The Free Press, 1979; and Raymond C. Collins, "*Children and Society: Child Development and Public Policy*," Ph.D. dissertion, Princeton University, 1981.

CSR, Inc., Head Start Evaluation, Synthesis and Utilization Project: "A Review of Head Start Research Since 1970 and An Annotated Bibliography of the Head Start Research Since 1965" (Draft Report 1982a); "The Effect of the Head Start Program on Children's Cognitive Development" (Draft Report 1982b); "The Effect of Time in Head Start on Children's Cognitive Development and on Family Impacts" (Draft Report 1982c); and "Annotated Bibliography of Head Start Related Congressional Documents" (Draft Report 1982d).

Irving Lazar and Richard Darlington, "Lasting Effects of Early Education: A Report from the Consortium for Longitudinal Studies," *Monographs of the Society for Research in Child Development*, Serial No. 195, 1982, Vol. 47, Nos. 2-3.

cognitive and language functioning. 'At the second-grade level, Head Start children generally out-performed similar children who did not attend Head Start, and they sometimes maintained superiority into later school years. On measures of success in school—retention in grade, teacher ratings, staying in school and placement in regular classes (as opposed to special education), for example—Head Start graduates usually fared better right through high school graduation.

At no interval, however, were Head Start gains large enough to enable the average poor and minority child to equal the performance of the average middle-class child in school or on standardized tests. This finding was also true for research-oriented preschool programs that have otherwise displayed impressive long-term results.'

Similarly, Head Start improves the cognitive skills of children with certain types of handicaps. In particular, children diagnosed as speech-impaired out-performed similar children not in Head Start or other preschool programs. Children with learning disabilities or emotional disturbances also performed better on some measures of intellectual achievement. Head Start did not appear to have a measurable effect on the cognitive development of mentally retarded or physically handicapped children.

Head Start Effects on Social-Emotional Development

Almost all Head Start programs emphasize to some degree children's social and emotional development. Aspects of children's social-emotional development affected favorably by Head Start include social development, task orientation, curiosity and socialization of handicapped children. Many other areas of social-emotional development have been researched, but without significant outcomes being reported. This may result from inadequate research methods rather than the characteristics of Head Start programs. The research tools needed to detect an impact in the social-emotional domain are less than satisfactory.

On social development, Head Start children are usually ranked as high as the general school population. However, they have been found to be more aggressive and more attention seeking, but also more sociable and assertive than comparable youngsters. Children who participate in some types of Head Start curricula maintain superiority on social participation through the second grade relative to their non-Head Start peers.

The task orientation of Head Start children has been found to increase over the program year, and task orientation has been found to correlate with intelligence in children. Curiosity and exploratory behavior may be enhanced by less didactic programs, particularly in full-day Head Start centers.

Head Start is successful at socially integrating handicapped children. Children who are speech-impaired, physically handicapped or mentally retarded show gains in social and emotional skills, while such benefits

Head Start on children's intellectual development was roughly twice as great after 1970 as in 1969 and earlier. This corresponds to a period in which several important improvements were introduced into Head Start, a finding that supports the idea that effective program strategies can upgrade program quality. Program changes undertaken in the early 1970s include conversion from summer to full-year programs, initiation of the Head Start Improvement and Innovation effort, implementation of Head Start Program Performance Standards, launching of the Child Development Associate (CDA) staff training program and an enhanced emphasis on parent involvement.

The findings shed additional light on those children and families that manifest the greatest gains from Head Start participation as well as on pivotal program characteristics. *The most needy children appear to benefit most from Head Start.* For these purposes the most needy are identified as children from families whose mothers had a 10th grade education or less, children of single-parent families and children with low cognitive scores when they entered Head Start. An important exception to this pattern is that children from small families gained more than children from large families.

While minority children generally demonstrated impressive gains, this was not equally true in all Head Start program settings. Children showed almost twice the gains in racially mixed classrooms where the percentage of minority children was 26 to 89 percent, compared with classes composed almost totally of (90 to 100 percent) minority preschoolers.

Three different intervals were chosen for assessing programs' impact after children left Head Start: at the end of the Head Start program year (regarded as short-term effects); at the end of the second grade (intermediate effects); and from the third grade through high school (long-term effects). Short-term effects showed strong and consistent improvements in

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WELFARE REPORT

For Internal CRS Use and For Use of Members of Congress in Their Legislative Duties

Debut of Experimental Poverty Statistics Arouses Suspicions of Future Welfare Cuts

The Reagan Administration argues that federal income statistics exaggerate poverty. Skeptics say statistical tinkering would make welfare programs less fair.

BY AARON FREIWALD

The great social debate that began 20 years ago over how to eradicate poverty in America is increasingly focusing on questions about how to measure it.

Many analysts, both liberals and conservatives, have compared the War on Poverty with U.S. involvement in Vietnam. Both escalated considerably under President Johnson. Both cost billions of dollars and had major impacts on the economy. And in both cases, according to William O'Hare, director of the Joint Center for Political Studies, "We don't know whether we won or lost; we are just getting out."

In the face of poverty levels unseen since the start of the Great Society, "getting out" means a change in the battle plan. The Reagan Administration, many critics charge, is planning to "win" the War on Poverty by giving a new name to the enemy—by redefining the measurement of income.

The critics see new poverty statistics issued earlier this month as a move in that direction. On Aug. 2, the Census Bureau issued its annual report on poverty, accompanied for the first time by nine alternative poverty measures. The alternative measures produce higher income levels and thus lower poverty readings because they count as income noncash benefits such as food stamps, housing subsidies, medicare and medicaid. While the new measures are still in an experimental stage, critics predict an Administration push to change the official definition. Such a change, unless accompanied by a change in eligibility standards (or "a change in the definition of poverty"), would mean fewer Americans would be eligible for welfare programs and probably would mean less federal money for those programs.

As another signal that such a move may be under way, observers cite a move in Congress to create an independent commission to study redefining income in the measurement of poverty and two pending bills that would protect low-income benefit programs from such a change.

The Administration argues that the new Census Bureau yardsticks more accurately reflect massive increases in federal spending on welfare programs since 1965. But according to the Office of Management and Budget (OMB), the Administration has no plans to change the official definition.

CHANGING THE TERMS?

According to the official Census Bureau measure, 35.3 million Americans, or 15.2 per cent of the total population, were living in poverty in 1983, roughly the same number as in 1964, when the rate was 19 per cent. The 1983 figures represent an increase of 0.2 of a percentage point from the year before.

But the Administration argues that the official statistic exaggerates the problem. In much-publicized testimony last November before the House Ways and Means Subcommittees on Oversight and on Public Assistance and Unemployment Compensation, OMB director Dave Stockman said, "The official poverty count based on money income substantially overstates the rate of poverty because it ignores $107 billion in in-kind medical, housing, food and other aid that tangibly raises the living standard of many low-income families."

One of the more vocal critics of that assessment, Rep. Robert T. Matsui, D-Calif., said he thinks OMB is gearing up to officially redefine income to include noncash benefits and thereby significantly reduce the number of poor. The effect of such a move, he said, would be to eliminate the federal government's financial obligation to millions of low-income families "with the swipe of a pen."

By including in-kind transfers in the measurement of income, Matsui said, "You are directly changing the definition of poverty. You can use this politically to the advantage of the incumbent President."

Timothy M. Smeeding, who designed the alternative income measures while a Census Bureau research fellow from 1980-82, said he doubts that the Administration will try to redefine income before the presidential election. "It's just going to bring up the fairness issue," he said. "I just don't see it happening between now and November."

What happens after the election, however, is a different story. Speculating on Reagan's reelection, Smeeding, who is now director of the division of social science research at the University of Utah, predicted, "I can see, somewhere on a big press day, on page 32 of *The Washington Post*, 'OMB Redefines Poverty.'"

A recent incident that fueled suspicions that the Administration plans to change the income definition was the recent disbanding of a panel of economists that the Census Bureau had assembled to review behind closed doors Smeeding's experimental measures.

The panel was to have met in May but was canceled under pressure from Members of the House who urged that the forum be opened to the public.

Several Members had anticipated that the review would be of an academic nature and would not consider policy changes. A Census Bureau report released earlier this year, however, seemed to indicate a policy agenda.

In a letter to the economists, Reps. George Miller, D-Calif., the late Carl D. Perkins, D-Ky., and Charles B. Rangel, D-N.Y., quoted the Census Bureau report that called for the panel and

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charged, "It is clear ... that the principal purpose for this review is to establish a basis for integrating the value of noncash benefits into the measure of poverty."

Carol Fendler, one of the bureau statisticians who prepared the new report on the alternative measures, said that making a commitment in writing to redefine income using the new measures was "the kind of thing that came back to haunt" the bureau.

At the Aug. 2 press conference, Gordon W. Green Jr., who is assistant chief of the Census Bureau's population division, declined to outline plans for seeking independent review of the alternative measures.

Asked about the possibility that OMB will move to redefine income, John F. Cogan, associate OMB director for human resources, veterans and labor, emphasized that "OMB has no plans" for incorporating noncash benefits into the official poverty measure.

"I think there is a good reason for keeping the present measure because it is a gauge," he said. "But I also think there is a good reason for including in-kind benefits in a separate measure as is currently done because everyone wants to know how well these programs are doing."

SMALLER ROLLS

According to Wendell E. Primus, staff economist for the House Ways and Means Committee, "If you change the definition of poverty by putting more into income without changing the thresholds, you will obviously lower the numbers considerably."

In the Census Bureau's report's nine experimental measures, the number of poor in 1983 ranged from 23.7 million to 32.5 million, or 2.8 million to 11.6 million fewer than the official count of 35.3 million. (See box, p. 1564.)

Redefining income to include noncash benefits would affect allocation of and eligibility for federal welfare programs unless the poverty threshold were lowered at the same time. Moreover, many predict that Congress would likely vote to cut spending for those programs if their budget decisions were based on statistics that showed a reduced level of poverty.

In some cases, the allocation of federal funds to states would change automatically with a redefinition of income. Although Congress determines the total appropriation for programs such as community development block grants and low-income energy assistance grants, the agencies administering these and other programs base the distribution of funds on the poverty count for each state.

Funding for the food stamp program is more complicated, but the effect of redefining poverty would be the same—dramatic cuts in federal support. Congress appropriates funds to states based on the number of persons with incomes below 130 per cent of the poverty line. Each state then supplements that money with matching funds.

Other programs, such as the Job Partnership Training Act, might not be affected because aid under this program is directed to "disadvantaged persons" rather than, specifically, to those in poverty. The Labor Department, which administers the program, can define "disadvantaged" as it chooses.

For individuals, a change in the income definition would also effect eligibility for federal assistance because states distribute the funds they receive based on the official poverty measure. If food stamps and medicaid are included as income, recipients might be disqualified from a child nutrition program, for example.

The possibility that OMB will change the income definition is more than an academic question on Capitol Hill, where some policymakers are seeking ways to avert budget decisions that would result if the Administration redefined income.

Helen Blank, director of the child care and family services division of the Children's Defense Fund, said that the push to protect head start arose out of a "concern that OMB would flatly alter the definition of poverty and that would have a radical change in programs." A restructuring of program qualifications would leave "only the most desperate families eligible for aid," she added.

The head start reauthorization bill (HR 5143) has been referred to the House Rules Committee. The child nutrition bill (HR 7), which passed the House, is pending in the Senate.

In another countermove, Matsui and Rangel introduced a resolution that calls for the creation of a bipartisan Commission on Poverty Definition Reform. The resolution faces debate in the House Government Operations Committee.

The commission would examine the problems with the current income definition, "develop options for measuring poverty and assess the impact each option would have on determining the number of [Americans] living in poverty."

Rep. Robert T. Matsui (left) says he thinks the Office of Management and Budget is gearing up to officially redefine income to include noncash benefits. But John F. Cogan of OMB says the agency "has no plans" for incorporating noncash benefits into the official poverty measure.

POLITICS OF POVERTY

If there is one point on which everyone involved in the poverty debate seems to agree, it is that the measurement of who is and who is not poor is somewhat arbitrary and relative. When politics enters the discussion, as it must when billions of dollars worth of programs are on the line, the result is an agreement to disagree.

This is unquestionably the greatest obstacle to resolving the definitional debate.

Mollie Orshansky, a former Social Security Administration economist who developed the formulas for what has become the official income definition, said at a recent House subcommittee hearing: "The number of poor can be varied almost at will, because there's no agreement about the way to count them, even on money income alone."

The official poverty statistic, nearly all the experts agree, has many defects. But there is much less agreement about what the defects are and how they should be changed. The most widely disputed feature of the official poverty statistic is the fact that it does not count noncash benefits as income.

Carroll A. Campbell Jr., R-S.C., the ranking minority member of the Ways and Means Subcommittee on Public Assistance and Unemployment Compensation, maintains that because in-kind benefits contribute to the well-being of the poor and free up other cash income, they should be included in the income definition. "Anything a person has available to them, regardless of its source, is an as-

There is More Than One Way to Count Poverty

Nine experimental measures of income are at the heart of the current controversy over the way the federal government defines poverty. Many predict that it is only a matter of time, perhaps a few months, before one of the experimental Census Bureau statistics is incorporated into a new official definition. Unlike the official poverty measure, the experimental statistics count as income such noncash benefits as food stamps, medicaid, medicare and housing subsidies. If that concept were incorporated into the official poverty measure, it would change the allocation of money and eligibility for federal welfare programs.

The Reagan Administration has emphasized it has no plans to redefine the measurement of income. But at the same time, it argues that these new measures more accurately reflect the nation's poverty situation.

Conservative economists such as Martin Anderson and Edgar Browning have argued that because of the massive rise in federal spending for welfare programs, poverty has been all but eliminated. But the experimental measures do not seem to bear out that contention. As the table shows, all nine reflect a steady increase in the poverty rate since the late 1970s, as does the official poverty measure, which counts only cash income.

The effects on the poverty rate of the recession and persistently high inflation during this period are clear. And many critics have accused the Administration of exacerbating the situation with cuts in low-income aid programs.

John F. Cogan, an associate director of the Office of Management and Budget, however, argues that the spending cuts have had little effect on poverty. "The actual dollar cuts in real terms that we made were far less than the cuts that were made as a result of inflation under the Carter Administration," he said.

Timothy M. Smeeding, who devised the experimental measures while a Census Bureau research fellow in 1980-82, developed three methods for valuing noncash benefits and then looked at three different combinations of benefits for each approach.

So, for example, using the market value approach, which translates noncash benefits into cash based on the market cost of the good or service, and counting food stamps and housing subsidies, the poverty rate rose from 13.4 per cent in 1982 to 13.8 per cent in 1983. Using the same measure, from 1979 the increase was 4.1 percentage points. When medical coverage is figured in as well as housing and food stamps, the poverty rate tends to be lower because of the high cost of such coverage. As with the other measures, however, there is still an increasing trend. From 1979-83, counting food, housing and all medical care, the poverty rate rose from 6.8 per cent to 10.2 per cent.

Under the recipient value approach, a noncash benefit is assigned a dollar value based on the amount of cash for which a person would exchange the benefit. This figure tends to be somewhat less than the market value.

The most complicated of the three measures, the poverty budget share value approach, assigns a cash value to goods and services based on the percentage of $10,178, the 1983 poverty threshold, that is adequate to meet a family's needs. So, for example, the Census Bureau figures food represents a third of a family's budget based on expenditure patterns developed by the Agriculture Department. Food stamps therefore are assigned a cash value of $3,392.

The table shows the poverty rate from 1979-83 as measured by the official statistic and the nine experimental measures. Data are from the Census Bureau's Aug. 2 report on poverty.

	Poverty rate				
	1979	1980	1982	1983	1983
Official definition	11.7%	13.0%	14.0%	15.0%	15.2%
Market value approach					
Including food and housing	9.7	11.1	12.3	13.4	13.8
Including food, housing and medical care	7.0	8.1	9.3	10.3	10.5
Including food, housing and all medical care	6.8	7.9	9.0	10.0	10.2
Recipient value approach					
Including food and housing	10.0	11.4	12.6	13.7	14.0
Including food, housing and medical care	9.2	10.6	11.8	12.8	13.2
Including food, housing and all medical care	9.0	10.4	11.7	12.7	13.0
Poverty budget share value approach					
Including food and housing	10.1	11.4	12.5	13.6	13.9
Including food, housing and medical care	9.1	10.4	11.5	12.5	12.9
Including food, housing and all medical care	9.1	10.4	11.5	12.5	12.9

set," he said. "All assets should be counted under all circumstances."

Those who oppose counting in-kind benefits as income seem least opposed to counting food stamps. Especially when compared with housing subsidies or medical care, it is easier to assign food stamps a cash value, and there is less regional disparity among food prices.

Tom Joe, director of the Center for the Study of Social Policy, argues that the incorporation of in-kind benefits in the measurement of income transforms the issue into one that no longer affects just the poor. And that, according to Joe, necessarily introduces the notion of fair distribution of wealth. He pointed out that wage earners across the income spectrum receive noncash benefits ranging from employee health benefits to corporate-sponsored two-martini lunches.

"If you're going to do this for the poor, you better do it for the rich," he said. "Then look at the income distribution and it will blow your mind. The disparity will be much greater."

The issue of noncash benefits is by no means the only point of dispute about the poverty statistic. Both Administration critics and supporters have cited several ways it could be improved and updated.

One criticism of the current income measure is that it is based on pretax earnings despite increases in the tax burden for low-income families during the Reagan Administration. Many economists are pushing to base the official poverty definition on net income rather than pretax income.

Robert Greenstein, director of the Center on Budget and Policy Priorities and former director of the Agriculture

Department's Food and Nutrition Services in the Carter Administration, said he agrees that what is relevant in measuring poverty is disposable income, but argued that as a result of tax policies during the Reagan Administration, the poor have less money at their disposal.

"If you're going to make the argument that these benefits free up income," Greenstein said, "then you have to follow it with [accounting for] taxes taken away."

In April, the center issued a report, "Taxing the Poor," which noted, "In recent years, the federal income tax threshold (the point at which low-income working families must start paying income tax on their wages) has dropped far below the poverty line, so that substantial numbers of those who live in poverty now have a steadily increasing portion of their small incomes eaten up by federal income taxes."

In addition, the working poor are steadily paying more in social security taxes. According to estimates from Census Bureau director C. L. Kincannon, who testified before two House subcommittees last May, "The average amount of social security payroll taxes paid by poor households increased from $250 in 1980 to $290 in 1981."

Charles Nelson, an income statistician at the bureau, explained that it would be difficult to collect tax data. He said that people are generally sensitive to questions about their payment of taxes.

A related issue that conservative critics of the current definition have raised is that underreporting of income inflates the poverty statistics and therefore the receipt of welfare benefits. A major theme of the Reagan Administration has been that those receiving federal assistance should truly "deserve" such help.

Martin Anderson, a senior fellow at Stanford University's Hoover Institution on War, Revolution and Peace and for a time President Reagan's chief domestic policy adviser, told an Urban Institute conference on welfare policy in July 1983: "The benign neglect of in-kind benefits and the disregarding of underreporting of income have gradually eroded the validity of the official poverty statistics to the point where they are not only unreliable but are very misleading."

Anderson, whose controversial book, *Welfare* (Hoover Institute Press, 1978), raised the issue of including in-kind transfers in the poverty measure three years before Reagan took office, added that because of these two factors, poverty could be half as much as is reflected in the official statistics.

To correct the problem of underreporting, OMB's Cogan said, the Census Bureau would have to work out a much more detailed method of gathering data. "How many people would respond to this voluntary study? You would have to factor that in," he said.

The designation of the poverty line presents another point of contention. If in-kind benefits are counted as income and the threshold remains unchanged, several millions of people automatically will no longer be classified as "poor."

In developing the poverty formula in 1955, Orshansky said, she looked at the cost of a minimally acceptable food budget and multiplied that figure by three, assuming an American family spends a third of its income on food. If the poverty threshold were updated to reflect more recent expenditure patterns—showing a smaller fraction of income being spent on food—she said, the food budget would have to be multiplied by more than three. That would raise the threshold and put several million more people in the poverty category.

But Sheldon Danziger, a senior researcher at the University of Wisconsin's Institute for Research on Poverty, said he "would not make too much out of changing the multiplier." He said that at the time Orshansky developed the poverty line, food was the easiest commodity from which to draw a relatively absolute threshold.

"Orshansky used the food multiplier as a shorthand because she had good data on that," he said. "What if tomorrow food prices doubled? Would you want to cut the poverty line in half?"

Those who fear that redefining income would reduce federal welfare spending argue that the current measure should either be thoroughly revamped or be left alone.

"You can't have your cake and eat it, too, even at OMB," Matsui said. "You either change the definition and include these other things or you leave it alone." The value of having a consistent measure—to include in-kind benefits, tax payments and updated estimates of family spending patterns—over time far exceeds that of "taking a half step" toward improving it, he said.

Another point made by those reluctant to see the definition changed is that debate over the statistic is overshadowing the real problem of poverty in America. As long as people are dependent on society, Orshansky testified in May, whether or not their income plus noncash benefits brings them over the poverty line, they are "in a form of poverty which we don't want to perpetuate from generation to generation."

"I don't think, even if the numbers are right, they tell us that the number of people we counted poor are not poor," she added. "What they are telling us, [is] that some programs . . . are succeeding in alleviating the distress for the poverty gap for some of those we call poor. That doesn't mean they weren't poor."

Rep. Campbell defended the Administration's welfare policy, saying: "We have designed our programs to be maintenance programs. I think we need a disincentive to stay on these programs. We need not only to define poverty, but to move people out of it."

Rep. Carroll A. Campbell Jr. (left), maintains that because in-kind benefits contribute to the well-being of the poor and free up other cash income, they should be included in the income definition. Robert Greenstein of the Center on Budget and Policy Priorities says, "If you're going to make the argument that these benefits free up income, then you have to follow it with [accounting for] taxes taken away."

Danziger speculated that if all of the proposed changes in the official poverty definition were made, "we could conceivably come up with a new measure that would show exactly the [the same numbers as the] official measure."

In addition, he said, even if poverty were redefined to include in-kind benefits and, "accepting the most conservative measure," the nation's poverty were reduced to 6 per cent, "Census tells me . . . that it is still 25 per cent for female-headed households."

"From the standpoint that we ought to do more about poverty, we don't need a new definition," he said. □

A decaying area of Washington, D.C. Most of the poor now live in big cities.

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The Desperate World Of America's Underclass

Hunger, unemployment and dilapidated housing are a way of life for many of the urban poor. Worse yet, hopes are fading that their lot can be improved.

Hidden away in the shabbiest areas of the nation's great cities is a group of people who number in the millions but are virtually forgotten—except when ghettos erupt in violence.

They are America's underclass, a term sociologists use to describe a huge segment of society seemingly mired in poverty. It is a population with many faces: Welfare mothers, teens with no job skills, derelicts and drug addicts, the working poor and the destitute elderly.

Twenty years after President Lyndon Johnson made his famous war-on-poverty speech on March 16, 1964, the urban poor—not the Appalachians who received so much attention in the 1960s—dominate the ranks of the needy. About 62 percent of nearly 35 million poor live in large cities, and the share is rising. Few of them have been helped by the improving economy. In fact, their plight has worsened following recent cuts in federal social programs.

Yet surprisingly enough, members of the underclass have not lashed out in anger as they did during the urban riots of the 1960s. Rather, their frustration and despair show up in other ways—robberies and muggings of affluent city dwellers, street people sleeping on steam grates, long lines at soup kitchens and food pantries.

Meanwhile, economists and social planners continue to experiment with programs to aid that struggling group. "The situation looks very desperate," says economist Barry Bluestone of Boston College. "We will have to develop some extraordinary training programs if black kids from areas like New York's Bedford Stuyvesant and Detroit's 12th Street are ever to get a shot at those high-tech jobs."

The Many Sides of Poverty

While experts seek solutions, the ranks of the underclass grow, straining the resources of programs that were designed to help them.

- As many as 40,000 homeless people in New York City roam the streets and jam temporary shelters that provide food and a place to sleep. In the same city, 1 in 3 children—1.7 million in all—is in families on welfare.
- Washington, D.C., officials cite the burdens of caring for people who are "dumped out of a mental institution without any support system."
- Nine thousand San Franciscans receive general-assistance welfare—up from 5,000 in July—but social workers point to thousands more who qualify yet don't seek help.
- An estimated 1 out of every 3 persons in Detroit is poor, including former auto workers who could join the underclass permanently unless they are retrained.
- Some 20,000 Indians eke out a dismal existence in booming Dallas, while Miami struggles to absorb penniless refugees from Central America and the Caribbean.

No improvement. Says James Krauskopf, commissioner of the Department of Social Services in New York City: "The indicators of distress that we see—growth in the welfare rolls and the number of people coming into public shelters—are increasing, despite the fact that the economy is supposedly getting better. It's not getting better for these people."

Even many with jobs are living on the edge of welfare dependency because their wages are scanty. Disappearing rapidly in many cities are the low-skill but relatively well-paying manufacturing jobs that helped past generations of the poor move into America's middle class. Now, most have to settle for jobs in restaurants, hotels and other service outlets where pay scales are often low.

Day-to-Day Misery

Whether they hold jobs or rely totally on welfare, most of the underclass live a harsh, hand-to-mouth existence.

In New York City, 40-year-old Cathy, mother of six children under the age of 19, lives with her brother in a two-bedroom apartment after being abandoned by her husband of 20 years. The family gets a welfare check of $200 every two weeks and must depend regularly on food handouts. Cathy fears she will be forced to give up her children unless she can get a subsidized apartment in a nearby project, but authorities say there's a 12-year wait for such housing.

Routinely, For Love of Children, a private organization in Washington, D.C., has to find foster homes for the children of poor parents who can't afford to support them. "With a lot of these families, the welfare check is the primary source of income, and that is simply not enough," says social worker Clara Bell.

In Chicago, a family of four receiving Aid to Families With Dependent Children—the federal government's major welfare program—gets a flat grant of $368 a month and is eligible for $253 a month in food stamps and a medicaid card for health care. Many of the area's 152,000 AFDC families live in vast, crumbling public-housing projects, where the median income is less than $5,000. One resident describes the projects as "like living in a camp with 10,000 bitter people."

Equally dismal are San Francisco's single-room-occupancy hotels. A room in a typical hotel in the Tenderloin

U.S. NEWS & WORLD REPORT, March 26, 1984

district, a seedy 40-block area just north of downtown, measures about 6 by 10 feet in size and usually has no bathroom or stove. Often, several people share the rooms, which can rent for $400 or more a month. Many are elderly people living on fixed incomes who depend on free meals at such places as St. Anthony Dining Room or Glide Memorial United Methodist Church to survive. Even so, 50 percent are described as malnourished.

Also trying to get by in the Tenderloin is "Sarge," an unemployed Vietnam veteran who so far refuses to accept the $238 a month in general assistance that the city pays able-bodied but destitute single adults. He takes odd jobs, sleeps in public shelters and eats at soup kitchens or scavenges in trash cans. "It doesn't bother me that much to stand in line for a meal or some clothes," he admits, "but my own honor prevents me from panhandling or seeking welfare unless there is absolutely no other choice."

Skirting the Law

Others in the underclass, particularly young single people, resort to crime as a way of supplementing income from welfare or low-paying jobs. Economist Kip Viscusi of Duke University, who surveyed 16-to-24-year-old black males in some of the poorest sections of Boston, Chicago and Philadelphia, found that nearly two thirds engaged in crime sometime during their youth. Thirty percent said that crime was more lucrative than legitimate jobs. Running numbers and other forms of gambling were the most popular source of crime-related income, followed by drug dealing, fencing stolen goods, robbery and muggings.

"They think there is very little chance of getting caught or sent to prison," reports Viscusi, "and they don't feel much stigma from family or friends over committing these crimes." He estimates that half of these young people could easily be dissuaded from crime if more and better jobs were available or if new programs were developed to keep them in school.

What such youngsters need most, adds police Lt. James Mansfield, who works in New York's Harlem, are good role models. "The ones they see are lounging around in flashy cars," he observes. "We have 12-year-olds with $700 in their pockets selling drugs."

In Detroit, at least 100 juveniles—ages 11 to 17—were part of Young Boys, Inc., a major heroin ring broken up by police last year. The juveniles—most from poor families—earned $50 a day plus expenses for delivering drugs for the gang's adult leaders. "Many kids believe it is more profitable to be on the street than in school," says U.S. Attorney Leonard Gilman.

The great majority of the poor, though, are law-abiding yet find themselves the victims of crime and exploitation. Social workers in New York and Detroit talk about merchants who boost the price of groceries when welfare checks arrive. Needy families also are targets of robberies by drug addicts to support habits often started as a way to escape the hopelessness of the ghetto.

"In poor neighborhoods, especially the hotels and apartments where no one knows each other, burglary and robbery are much more common," notes Sgt. James Farrell, a San Francisco police officer. "The poor operate more on a cash basis—they usually don't have a lot of credit cards—and they tend to keep money in their homes."

But wealthy residents of newly refurbished neighborhoods also are at risk. Sociologist Elijah Anderson of the University of Pennsylvania, who is studying a revitalized section of West Philadelphia that borders a poor area, says such people quickly learn to become "street smart" and to deal with the "insecurities" brought on by the occasional mugging or burglary. Guard dogs, elaborate security systems, walls and other barriers also have become increasingly necessary for residents of stylish urban neighborhoods.

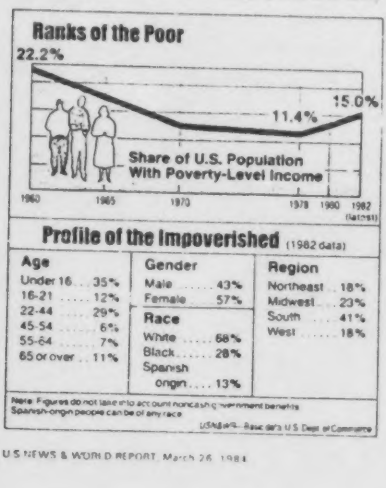
A Sense of Hopelessness

By many accounts, life for the urban underclass has become bleaker in recent years. Since 1980, a harsh economy and cuts in federal social-welfare programs have combined to reduce by 9.4 percent the average income for the poorest one fifth of American households, according to the Urban Institute, a Washington research group. The nonpartisan Congressional Budget Office also reports that families with incomes of less than $10,000 a year have lost twice as much income and services from federal budget cuts as have higher-income families.

These setbacks, on top of the sluggish economy of the late 1970s, have caused the nation's poverty rate to climb steadily from 11.4 percent of Americans in 1978 to 15 percent in 1982, the latest year for which statistics are available. What's more, the administration has proposed further cuts in welfare benefits, such as ending AFDC benefits when a child reaches 16 and requiring new charges for medical care. Construction under the government's major subsidized-housing program, called Section 8, fell from 139,000 units started in 1978 to 32,000 last year. Public-service jobs, which employed 1.7 million during the peak year of 1976, have been scrapped in favor of a much more modest job-training program.

Despite such cuts, the mood among the underclass is more often one of quiet despair than of anger. "There's a lot of resignation, a mentality that says it's not going to get any better," remarks Marshall Kaplan, dean of the Graduate School of Public Affairs at the University of Colorado at Denver. Other experts say that anger among the poor has been blunted by the fact that blacks and Hispanics have risen to power as mayors, police chiefs and business leaders in many cities. The poor also have watched many members of the middle class fall onto hard times from layoffs and failures in a whole range of industries and small businesses.

Nor can anyone deny that there are far more programs to aid the poor than there were 20 years ago. Just three Great


Ranks of the Poor
22.2%
15.0%
11.4%
Share of U.S. Population With Poverty-Level Income
1960
1965
1970
1978
1980
1982 (latest)
Profile of the Impoverished (1982 data)
Age
Under 16 . . . 35%
16-21 . . . . . 12%
22-44 . . . . . 29%
45-54 . . . . . 6%
55-64 . . . . . 7%
65 or over . . . 11%
Gender
Male 43%
Female 57%
Race
White 68%
Black 28%
Spanish origin 13%
Region
Northeast . . 18%
Midwest . . . 23%
South 41%
West 18%
Note: Figures do not take into account noncash government benefits. Spanish-origin people can be of any race.
USN&WR—Based on U.S. Dept. of Commerce data

Society programs—medicaid, medicare and food stamps—will cost taxpayers an estimated 115 billion dollars this year. Yet even when these moneys, or "in kind," programs are counted, a new Census Bureau study shows, poverty has increased steadily since 1979.

In Search of Opportunity

While material deprivation may not be as widespread as it was in the early 1960s, most authorities agree that climbing out of poverty is a far greater challenge today because of the greater levels of training and education needed to land good jobs. Many jobs, too, have moved out of central cities where most of the underclass live.

The results of being ill-prepared for this changing job market are vividly in the unemployment rate of black teenagers, which stands at about 43 percent. Says Harvard economist Richard Freeman: "Black leaders are concerned about a lost generation of young people." John Jacob, president of the National Urban League, observes that half of all black children "have a 50 percent chance of growing up underprivileged, undereducated and underemployed."

Another major worry: The "feminization of poverty." From 1970 to 1982, the share of black families headed by women rose from 28 percent to 42 percent. Nearly 75 percent of impoverished black children live in such families, which have a median income of about $7,500.

Both the Urban League and the Delta Sigma Theta sorority, a national organization of black women, have targeted single black mothers as a major concern. In the works are programs to discourage teenage pregnancies, improve parenting skills and provide day care for children of working mothers. Many experts also want to substitute a new family-allowance system for AFDC, which they say encourages fathers to abandon families and gives welfare mothers little incentive to seek jobs.

Authorities stress that training and job experience are the keys to progress. Having a parent who works—even at a low-paying job—also is a big plus. Economist Robert Lerman of Brandeis University, who surveyed needy youths in three cities, found that those from families heavily dependent on welfare did far worse in school and in the job market than did those whose parents worked.

Yvonne Bowden, an 18-year-old Atlanta mother who is completing high school and planning for college despite a teenage pregnancy, says many of her friends in that city's housing projects are following in the footsteps of mothers who have known nothing else but welfare checks. "That's what they'll do—be like their mothers," she says.

Some schools make a special effort to reach such young people. Jobs for Delaware Graduates, a program that is being copied by other school systems, uses a network of job specialists in the high schools to enlist parent support, prepare students for careers and help them find work. "Those who benefit most are black males from low-income families," says Bebe Coker, director of administration. "These are youngsters whose self-esteem has hit rock bottom."

In other instances, support comes from the grass roots. Residents of the Kenilworth-Parkside public-housing project in Washington, D.C., have sent nearly 300 of their children to college since 1975 with the help of grants, fund-raising events and simple encouragement. In West Philadelphia, Sister Falaka Fattah, a former journalist for black newspapers, has significantly reduced gang violence with her House of Umoja Boystown. Begun in her home 15 years ago, the program includes tutoring and training, operating small businesses and renovating more than 20 row houses. Over the years, she has housed some 600 troubled youths.

Private-sector aid. Programs elsewhere rely on donations from individuals and businesses for such goals as training homeless men, buying and renovating homes for low-income families and improving the diet of the elderly poor. Several black and Hispanic organizations also are making voter-registration drives among the impoverished, who traditionally have shown little interest in politics.

For now, experts say, this patchwork of local programs will have to play a bigger role in expanding opportunities for the urban underclass. With a federal budget deficit of nearly 200 billion dollars, there is little support for massive new antipoverty programs. "What it takes is the everyday plodding of a lot of different people," says Maj. Merle Howe of New York, a Salvation Army social worker for 30 years. "When people get help for just a minute, and then it's taken away, there is no more hope." □

By LAWRENCE D. MALONEY with RICHARD L. DeLOUISE, PAT LYNCH and the magazine's domestic bureaus

The War on Poverty—Where the Billions Go

President Lyndon Johnson's Great Society produced a flurry of social programs unmatched since the days of Franklin Roosevelt. Some are gone. Others have been severely cut or revamped, such as the once large network of neighborhood poverty centers under the old Office of Economic Opportunity. Among major antipoverty programs still in force:

Job Corps. This 610-million-dollar Labor Department program trains about 80,000 disadvantaged young people a year in 107 residential centers.

Legal services. The poor get free legal assistance through state and local agencies that receive 281 million dollars in annual federal aid.

Head Start. Nearly a billion dollars will be spent this year on this comprehensive education program for about 430,000 underprivileged preschoolers.

VISTA. More than 1,900 Volunteers in Service to America work in health, education and social-welfare projects in needy areas. Funding: 12 million dollars.

Food stamps. Fewer than 1 million recipients enrolled in this nutrition program in 1964. It now spends 11.2 billion dollars to feed 21 million people.

Medicaid. The health plan for the poor, begun in 1966 with expenses of 770 million dollars, now serves 23 million at a cost of about 20 billion dollars.

Sister Falaka Fattah at a counseling session in her House of Umoja. The center also runs tutoring and training programs.

Needs of the Needy: Schooling, Self-Respect and Jobs

It's the inner-city children who require more education—and that training should be linked to employment, says an expert.

Interview With Barbara Blum, Social-Welfare Authority

Q. Ms. Blum, are the problems of the urban poor getting worse?

A. Yes. Many poor people really haven't benefited much from the improving economy. I worry even more about the future, given the high dropout rate and low job skills of inner-city youths.

Q. How difficult is it to improve the lot of the disadvantaged?

A. It is no simple chore, but we know from Manpower Demonstration Research Corporation's work that a large proportion of the poor can be helped. About half of welfare recipients actually move in and out of the system rather rapidly. This group responds well to relatively low-cost strategies. Longer-term recipients may need more-costly interventions. There are also many poor people who cannot work—children, the elderly and the disabled. Children make up about two thirds of the most deprived population.

Q. Has dependence on welfare sapped the ability of families to escape poverty?

A. Yes. All of us learn by imitating. If you come from a family in which there has been little opportunity for work, it will be harder for you to move into the work force. The role model of a working parent is very important.

Adults dependent on public assistance also know that if they get a job, they risk losing certain kinds of aid, such as medical and day-care assistance. Since we have few programs to help the working poor cope with emergencies, many may fall back onto the welfare rolls in times of crisis.

Q. What is life like on welfare?

A. Even where basic housing and nutritional needs are met—and in many instances they aren't—life on welfare is demeaning.

There usually is very little money left for clothing, transportation or recreation. An adult on welfare may not have a decent suit of clothes for a job interview or money for phone calls to prospective employers. Children from such families may feel inferior early in life because they are so readily identified as poor.

Q. How important is education in creating more opportunity?

A. It is probably the single most important requirement to move the poor toward a better life. That's particularly true if the child's home life is in disarray. Our society needs to do a better job of targeting education funds to this group. Inner-city children not only need added instruction, but schoolwork should also be linked more closely to jobs.

Q. What sort of job-training programs work best for young people?

A. The best results seem to come from programs like Job Corps that take inner-city youth out of their neighborhoods and place them in residential settings where they get basic education and job training. We need to find ways to apply the best of that program to local schools.

Q. What about programs for adults?

A. For those who have completed high school and have had some contact with the labor force, job-search programs, which we are now testing in several states, are often effective. It involves counseling people on what is expected in the world of work and preparing them for job interviews.

To help those who have had less experience, such as women who have been on welfare for long periods, a program called Supported Work has good results. It combines close supervision and peer support from others in similar circumstances with a job that puts gradually greater demands on the person.

Q. Do you think that "workfare"—President Reagan's idea of having welfare recipients work for their benefits—has any merit?

A. If it is properly designed, workfare may help some welfare recipients. Work experience can open up contacts for other jobs and gives an individual something to show prospective employers.

Just the exposure to work—having to show up on time and complete certain tasks—can be of value.

Q. What can be done to curb rising poverty among female-headed families?

A. One approach, a program called Project Redirection, helps teenage mothers to complete their high-school education and develop job skills. Staff help the young mothers to get services such as day-care assistance and health care. Counseling also is provided to discourage subsequent pregnancies. A key feature is the use of a neighborhood woman who assists these teenagers and provides nurturing that often is missing from their lives.

Apart from such programs, we need to strengthen steps now being taken by states and the federal government to have absent fathers live up to their child-support obligations.

Q. How can such obstacles as drug addiction and crime be reduced?

A. Again, we have to bolster education, job training and employment. Where there is addiction and crime, we tend to find people with very little self-respect or hope for the future. Conversely, we were able to chart actual reductions in crime among ex-addicts in our Supported Work program.

Q. Should the welfare system be revamped?

A. Yes. Aid to Families With Dependent Children is an anachronism. It was designed in the 1930s when women were expected to stay home and care for children. AFDC does little to encourage women to enter the work force until the youngest child is 6. This makes it harder to prepare for a job. We need a system, perhaps a significant tax credit, that gives women an incentive to get training and find work.

Q. Why, as the White House urges, shouldn't the poor and the unemployed move to where the jobs are?

A. Many who have enough money and the transportation do try to move. But no part of the nation is overflowing with jobs. In the Southwest, welfare case loads are rising—partly because of the influx of people from other regions.

Q. Are people less concerned nowadays about the plight of the disadvantaged?

A. It's not that people don't care, as much as they don't understand poverty. They don't relate to what poor people are up against day in and day out. There is a certain remoteness, a distancing—and it's worrisome. □

Barbara Blum, former head of the New York State Department of Social Services, is now president of Manpower Demonstration Research Corporation, a New York firm that tests poverty programs.

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SLICE OF LIFE ®

Escaping Poverty—How One Man Did It

WHAT IS IT LIKE to live in poverty and then climb the ladder ... success? What qualities are needed, what breaks along the way?

George E. Evans, a 36-year-old lawyer, has made such a journey. One of eight children raised by a widow in a public-housing project, he tells what it took to build a new life away from the old neighborhood.

WILMINGTON, Del.

My mother only had an eighth-grade education and was working as a domestic when she died at age 59, but she was a motivator who believed the system could work, even for blacks, if you prepared yourself. "Play by the rules," she would say.

It was sound advice, though I had my doubts at times in the '60s when I was going through high school and college. We had no real role models for professional life. In grade school, no one spoke about college. A classmate, when asked what she wanted to be when she grew up, said "a maid."

The most I hoped for then was to be an electrician, but I discovered in high school that unions offered few openings to blacks. So I dared to dream about college. My mother supported me, but she was realistic: "Where will the money come from?"

Money was always a problem in our house. We didn't live in misery, but there were some bad days, especially during my early childhood when we were on public assistance.

Toward the end of the month, money would run out. In winter, that might mean that my mother couldn't afford to buy the 5-pound bags of coal for the furnace of our row house. Then, we'd have to get our heat from the oven of the gas stove. I can remember an instance when three of us youngsters shared a single potato.

My mother wasn't to blame for this. She was a chin-up person, and we somehow understood that she was doing all she could. There was no shame to being poor because everyone we knew was in the same situation.

We always managed to have a good Christmas. An aunt in Philadelphia would send clothes, and I remember how good the fruit tasted from a food basket someone gave us one year.

Toys were often things we made ourselves, and we would spend hours playing in the woods near the project or at a nearby dump. That could be dangerous. One boy was murdered by a hobo in the woods.

Though I had my friends, maybe one reason I got out of the project was that I was always pretty much of a loner. By not getting caught up in a group or a gang, I had the time to think for myself and set goals. As for the "in crowd," few of them ever went on to college. Some ended up hustling—or met an early death.

I got through college and law school by seeking loans, grants and scholarships. It was a better time for that because the civil-rights drive had pressured schools to open up more opportunities for blacks.

But I also worked—continuously—at many jobs. I started my freshman year at Delaware State working at the Chrysler plant in Newark, Del. When my shift was over at midnight or later, I'd drive—half asleep—to Dover for early-morning classes.

Grueling days. You could say I got through college partly on the shoulders of the auto industry. One summer, I worked at both a GM and a Chrysler plant—18 hours a day. When I woke up, my arms would automatically move to place a part on a car.

I had plenty of encouragement along the way. Besides my mother, there was a Delaware State professor, who happened to be white. He convinced me that a law career was possible and assisted me in applying to Rutgers University Law School.

After the King assassination in the spring of 1968, I thought about striking back by destroying property. I had done my share of protesting during college. But a chemist I worked with that summer at Du Pont cooled me down and introduced me to a company lawyer who reinforced my interest in law. I came to believe that law was the best way to change things I didn't like about society.

A different class. Law school was harder than I ever thought, and the people I met there were different from those I grew up with. There were kids who had spent summers in Europe or hitchhiking around the country on a lark. I was a practicing lawyer before I even took my first plane trip.

But I survived. In 1973, another lawyer and I became the first blacks to be admitted to the Delaware bar since 1959. I started my law firm in 1981—one of only a half-dozen black attorneys in the entire state with their own practice.

Now, I have more than I ever dreamed of. I earn a very comfortable living, own a nine-room house in a nice neighborhood and three cars. My twin boys have a life that is Disneyland compared with my childhood. I force myself to say "No" at times so they can appreciate things.

Yet I still feel at home visiting the old neighborhood. I serve on the school board there, have represented the poor and hired them to work in my law office. One client charged with burglary lived in my old house.

Things have changed in the project, though. I see far more drugs, crime and vandalism—and less respect for adults and teachers. People watch their neighbors' habits and steal from them in broad daylight.

Poor kids now have a tougher time than I did. Those well-paying auto jobs are gone, and many youngsters won't work in fast-food places, though I don't know why. The money would give them some independence.

When I go to schools for talks on careers, I focus on turning students from the fast-money hustlers. I tell the kids those types are here today, gone tomorrow, but that those in legitimate professions have staying power. It's not always an easy selling job.

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Poverty: Trends, Causes and Cures

After a decade of steady decline followed by another decade of relative stability, the proportion of people in poverty in the United States began a sharp rise in 1978, which continued through 1982 and now equals 15 percent of the popu' ion—the highest level since 1965. In 1982 the pove. .y rate stood about one-third higher than when it began to rise. The number of individuals in poverty increased by 9.9 million during these four years.

This rise at a given time reflects economic opportunities, Federal and State government income transfer programs, and demographic conditions. Complex interactions among these factors account for the progress against poverty in the 1968–1969 period, the plateau from 1970 to 1978, and the ground lost from 1979 to 1982.

This report summarizes trends in poverty during the past 24 years. It examines reasons for changes in the rate of poverty and discusses demographic characteristics of the poverty population. Further, it analyses the methods used to calculate the number of poor Americans. The measure itself is controversial. One critic contends that, no matter how measured, poverty has been rising over the past three years. Some critics claim that the measuring technique overstates, and some that it understates, the nature and extent of the poverty problem.

When the Federal Government began measuring poverty in the early 1960s, the continued existence of poor people in a time of the "Affluent Society" seemed anomalous. The search for programmatic ways to alleviate poverty soon generated efforts to measure the size of the poverty population. The first rough estimates of the incidence of poverty were built on survey data indicating that families generally spent about one-third of their incomes for food. A poverty level income was then calculated by using as a yardstick the amount of money necessary to purchase the lowest-cost "nutritionally adequate" diet calculated by the Department of Agriculture (roughly equivalent to the current Thrifty Food Plan). This price tag was then multiplied by three to produce a poverty income threshold. These first estimates found that 39.5 million—22 percent of the population—persons were poor in 1959.

The basic concepts, problems associated with them, and measurements have changed little since 1969, although in 1969, policy officials made a basic change in the method for calculating the poverty level of income. The poverty threshold is now established each year by increasing the previous year's level by the change in the Consumer Price Index (CPI) rather than multiplying the cost of the Thrifty Food Plan by three.

Issues in the Concept of Poverty and Its Measurement

Even though the concepts underlying the official measurement of poverty have not changed since their development almost two decades ago, they continue to be debated. Controversy has centered around two questions:

(1) whether to define poverty in relative or absolute terms, and

(2) what definition of income to use.

Other issues in the measurement of poverty are simply extensions or derivatives of these basic two.

Poverty can be viewed as relative or absolute. In general, an absolute standard measures basic subsistence needs, but a relative one measures income distribution.

Relative standards of poverty are directly linked to the distribution of income in the society. Under this concept, poverty is not a condition of absolute want. Rather, it is defined as "having a lot less than most people" even if that means having more than what is considered to be "enough to get by." Using a relative poverty standard, economic growth alone would not eliminate nor necessarily reduce poverty. Under a relative standard, poverty would be reduced only if income became distributed more equally.

The Federal government measures poverty as an "absolute" concept, which changes only with inflation. Under this approach, the number of poor households would be expected to decline during times of rapid growth, and to increase during times of rising unemployment, rapid inflation or outright economic recession, such as characterized much of the decade of the 1970s. The absolute concept of poverty makes possible the elimination, or at least the reduction of poverty without a change in the distribution of income.

Determining the appropriate concept of income causes controversy in a number of public policy settings. Whether it is for purposes of taxation, eligibility for welfare benefits, or establishing a poverty yardstick, arriving at agreed upon definitions of countable income requires extensive analysis coupled with compromise, and in the end remain controversial.

The current policy definition counts cash income from earnings, returns on property, and government transfer payments (social security, welfare, etc.). It does not include noncash employment compensation such as employer-paid health insurance, employer contributions to social security or other pension coverage; nor government in-kind benefits such as food stamps, Medicare and Medicaid, and housing assistance; or tax "expenditures" such as child-care tax credits, earned income tax credits, etc.

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Congressional Research Service CRS REVIEW
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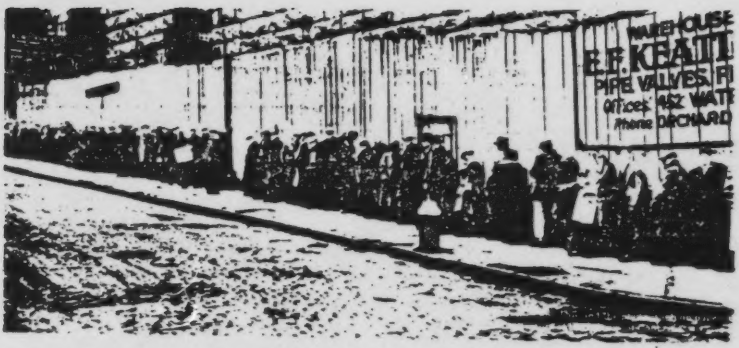


All in all, many such anomalies subject the current poverty measure to criticism. However, the present methodology has the advantage of being consistent over the entire 24-year period, permitting assessment of trends and changes in trends in the number and percent of people who are poor. It would also appear that a perfect measure probably could not be designed.

Poverty Rates

The proportion of people in poverty declined steadily during the 1960s. From a high of 22 percent of the population in 1959, the first year of measurement, the rate dropped each year until 1970. With a few bumps up and down, including the lowest recorded level of 11.1 percent in 1973, the rate essentially stabilized during most of the 1970s—never dropping below 11 percent and never rising above 12.5 percent. Then, starting in 1979, the poverty rate turned up, increasing each year, until it reached 15 percent in 1982 (the latest year for which data are available), an increase of nearly one-third in just four years.

These trends paint a valuable picture of the progress and setbacks in the Nation's efforts to reduce poverty. But the overall rates tell only part of the story. They disguise some important issues.

While these overall averages, the rates for particular groups of people have varied substantially.

1. *Poverty higher for blacks.* The poverty rate for blacks has stubbornly stayed two to three times higher than the rate for whites. During the 24-year period for which we have data, the poverty rate for blacks declined by 55.1 percent to 30.3 percent in 1982, still very high. In 1982 nearly one-third of all black households in the nation had incomes below the poverty level. This figure is influenced, however, by another characteristic of the poverty population: The group with the highest poverty rate of all continues to be female-headed households. This is largely because women's earnings average approximately 40 percent less than men's and because they have lower average rates of participation in the labor force.

Since a disproportionate share of female-headed families are black, this factor increases the incidence of poverty among blacks. Even excluding the relatively high proportion of black female-headed households, the poverty rate for blacks is almost double that of whites: 18.0 percent, compared to 9.3 percent.

2. *The number of poor elderly continued to decline.* The greatest success in reducing the rate of poverty occurred among the elderly. Starting at a rate of 35.2 percent in 1959, over two times the rate for other adults, the rate had dropped by 1982 to 14.6 percent, just slightly lower than the overall rate—which by this time was on the rise. Although the overall poverty rate began rising in 1979 and by 1982 had risen by 22 percent, the poverty rate for the elderly held steady at a rate near its low point. Three main factors reduced poverty among the aged:

> The social security program grew rapidly during the entire 1970s and into the 1980s;
>
> Congress established the Supplemental Security Income (SSI) Program, which provides, by itself, a level of income almost at the poverty level for elderly couples;
>
> And private pensions expanded rapidly.

Although the overall poverty rate for the elderly continued to decline in the face of rising poverty for some other groups, the rate of poverty has remained high for some aged persons—the very old, the elderly living alone, and elderly blacks.

3. *Poverty among children.* The poverty rate for children has consistently been higher than that of the population in general. In 1982, more than one-in-five children under 18 years of age (21.3 percent) was poor. The poverty rate among children was 64 percent higher than its 12.5 percent low point in 1969.

The poverty rate for children in female-headed households was much higher (56 percent) than that of children in male-headed families (13 percent). The growth in the number of female-headed families combined with the high incidence of poverty among such families has helped to

keep the poverty rate for children high. Since 1968, the proportion of children living in female-headed families has more than doubled—from 8.9 percent in 1968 to 19.4 percent in 1982. In 1982, every other poor child lived in a female-headed family, compared to about one in every four poor children in 1968.

The more recent increase in the incidence of poverty among children has been the result of more two-parent families joining the poverty ranks—presumably as a result of the recession. Children in two-parent families accounted for about 70 percent of the increase in poverty among children since 1979.

Causes for Levels and Trends in Poverty

As is true for all complicated social phenomena, the causes of poverty and trends in its development are hard to explain. One obvious way to begin such an analysis is to examine the main sources of income to the poor.

Poverty discussions often give the impression that the poverty population consists of the same people from year to year. Moreover, reported year-to-year variations hide substantial numbers of the overall population, who move into and out of poverty over a period of years.

Studies of this question have indicated that over a 10-year period between 1969 and 1978, 25 percent of the population was poor at least one of those years. About one percent was poor during the entire period, and about five percent were reported poor in five out of seven years. These studies identified the principal causes of movements into and out of poverty as changes in family composition (divorce, marriage, birth of a child, departure of a child, or the entrance of additional family members into the work force.)

In addition, during the period under study, performance of the economy and the size of government transfer programs have affected wages, work-related benefits, and need-tested benefits, all of which help determine the number of the poor. Changes in demographics and living arrangements also figure heavily in explaining past poverty trends.

1. *Effects of changes in the economy on earnings of the poor.* On the surface, the trend in poverty over the past 24 years mirrors closely conditions in the economy during that period. The rapid economic growth of the 1950s and 1960s boosted the standard of living for all Americans, low-income as well as high-income. Since the official measure of poverty is "absolute," rising productivity pushed up standards of living across the board, and the share of the population left below the poverty line declined. However, economic stagnation of the 1970s halted the decline in the incidence of poverty. Real wage growth was negative on average during the decade overall, and real family median incomes also declined.

The proportion of families in poverty totaled about the same near the end of the decade as it was at the beginning. Then in January 1980, the economy began a decline, which after a brief reversal dropped into the worst downturn since the Great Depression. During this time, the rate of poverty rose markedly.

2. *Government transfers and elderly poverty.* The rate of poverty for the elderly showed a dramatic decline over the 24-year period for which such data have been tabulated. From 35.2 percent in 1959, substantially above the rate of other persons, the rate of poverty for the elderly has dropped steadily until in 1982 it reached 14.6 percent, about the same as the overall rate. The growth in Federal Government transfer payments to the elderly is the primary reason for the general decline in the rate of poverty for the elderly.

Other sources of income for the elderly grew as well, particularly private pension benefits, which have increased rapidly since the end of World War II. The social security program itself had the most effect. Without income from social security, over one-half of the elderly would be poor.

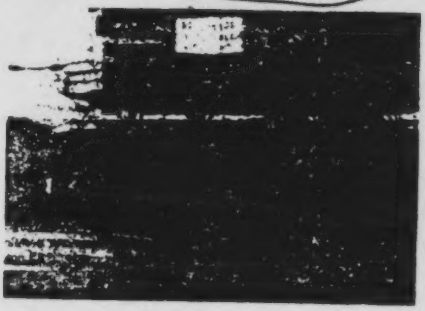
During the latter half of the 1970s, when inflation rates were highest, the purchasing power of recipients of social security was fully protected and keeping the elderly from falling into poverty. At the same time, however, the standard of living of many working people deteriorated as increases in wages failed to match increases in prices. The poverty threshold, tied to the CPI, thus outstripped increases in earnings, and more non-elderly earners fell into poverty. The weak economy from 1980–1982 led to increasing poverty rates among families with working members, while the number of elderly in poverty stabilized.

3. *The effect of changes in earnings and transfers on children.* The 1979–1982 increase in the rate of poverty was sharpest among children in male-headed families. The poverty rate for children in such families, although below the overall rate, climbed 62 percent from 1979 to 1982, reaching 13 percent. The poverty rates for children in female-headed families, always high, rose 15 percent in the same period, reaching 56 percent.

The 1982 rate of poverty for female-headed families was more than two and one-half times that of all families. Of all children living in poor families, 52 percent were in female-headed families.

Although female-headed families no longer are the fastest growing poverty group, their problems seem to be the most stubborn. For many of these, particularly those who rely on governmental transfer programs for their basic sustenance, even a strongly rebounding economy could not be expected to provide much help. Of the 3.2 million female-headed families with children in poverty, about half get most of their income from income transfer programs. Excepting Alaska, no State provides a level of assistance through its Aid to Families with Dependent Children (AFDC) program which takes families to the official poverty threshold.

Continued on page 96



Poverty
(Continued from page 9)

In fact, over the past 10 years, the real level of AFDC assistance has declined as inflation has eroded purchasing power of AFDC levels, which are decided by States and lack automatic adjustments for rising prices. In some areas the decline in purchasing power has cut the real value of the benefit by as much as one-third. For example, in New York City, the maximum benefit level for a three-person AFDC family in September 1968 is $515, compared to $706 (in July 1982 dollars) 12 years earlier. Since food stamps do not count as income for poverty purposes, adding the value of this indexed transfer program has no effect on reducing the number counted as poor, even though it reduces need among the poor.

The recent cuts in the AFDC budget are likely to have depressed the incomes of female-headed families in poverty. The new AFDC rules prevent sustained welfare assistance to families (female-headed or not) who have earnings.

Proposals to Reduce Poverty

One overriding conclusion of any analysis of poverty is that fluctuations in economic growth bear most directly on the extent of such hardship. This conclusion is supported by analyses of the changes in poverty during the past 20 years as well as by preliminary analyses of the effect of the 1981–1982 recession. Through overall fiscal policies designed to promote economic growth, Congress has taken actions, which, if successful, will improve the status of people in poverty and will facilitate movement out of poverty through expanded work and earning opportunities. In addition, Congress has recently enacted a new program of job training to assist poor working-age adults, improve their work skill , and enhance their earnings capabilities.

Changes in the income tax laws could increase after-tax incomes of those in poverty who pay income taxes although it would not reduce the officially measured number in poverty, because measurement is based on before-tax income.

Other options for reducing poverty concern actions Congress might take through expanded or better-targeted income transfer programs. Initially two points should be made:

(1) These proposals would increase Federal budget outlays; and

(2) Increased income transfers of certain types, by their very nature, create disincentives to work.

They are also alleged to affect family stability, although the extent to which this happens is unclear. In any event, tradeoffs must be made. Value judgments ultimately determine the desirability of income redistribution as a national goal. It is beyond the scope of this analysis to estimate the budget costs of these proposals, and there has been no attempt to assign priorities to them.

Changes in the demographic composition of the population also will continue to affect what happens to the poverty population. If the growth rate of female-headed families does not decrease, their numbers may swamp other efforts to alleviate poverty. Furthermore, as the population ages and lives longer, the number of single women over age 75—a group with a very high poverty rate—will increase.

Some possible changes in Federal transfer programs would provide additional income to the poor but would have no effect on the poverty rate as measured. Cash transfer programs might be increased to provide additional income to certain groups, but if cash benefits were not increased enough to bring the poor up to the official poverty threshold, the poverty rate would not be reduced, although the "poverty gap" would be narrowed. Furthermore, if food stamp benefits were increased, neither the official poverty gap nor the poverty rate would be affected, since food stamps are not counted as income—although the poor clearly would have more disposable income. This is not to suggest that Congress may not want to consider such changes as being most helpful in reducing the need. But the current official poverty measures would not reflect such changes.

Additional spending for transfer programs would have the greatest effect on reducing poverty if directed at specific groups of the population. For example, increases in social benefits for non-married widows and widowers would target additional income to a group of the elderly with a high rate of poverty. In addition, the Federal supplemental security income (SSI) program, which already provides income almost up to the poverty line for poor elderly couples, could be liberalized to guarantee a poverty line income for all the aged. However, a general boost in social security would not lower poverty substantially, because only one-tenth of recipients are poor after receiving current benefits.

Similarly, a general increase in unemployment compensation (UC) outlays would not reduce the official poverty rate substantially because fewer than one out of 10 UC claimants is poor. Additional UC outlays for the long-term unemployed who did not receive UC in the last year would, however, have a more target-efficient effect. About two out of five of these individuals were classified as poor in 1982. A special unemployment assistance program for individuals in this category who had substantial work experience in the last three years, for example, could have a greater effect on the official poverty rate. One could also enhance this effect by applying a family income test, but this might stigmatize the program in the eyes of some, by making it similar to welfare.

These changes, while adding to budget expenditures, would be notably less controversial than proposals for increasing transfer payments to younger persons who are poor. Proposals to reform the welfare assistance programs by expanding eligibility for non-elderly adults and children have surfaced over the past 15 years, have been vigorously championed by Republican and Democratic administra-

Seminars

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Weekly on Thursday	INTRODUCTORY BRIEFING ON CRS RESOURCES, SERVICES, AND FACILITIES FOR MEMBER AND COMMITTEE STAFF. Room 209, James Madison Building. 10:00 to 11:30 a.m. Open to permanent Member and Committee staff only; not open to interns. Coordinator, Pat Clark, 287-6464.
Weekly	SCORP10. Introductory training available at CRS. Individual refresher or advanced session available at either CRS or your office. Open to Member and Committee staff. Call 287-6447 for an appointment.
February 14, 15, 16	OVERSIGHT WORKSHOP. Three-day series of morning workshops open to all Members and professional staff. Experts will consider the constitutional roots of oversight, oversight procedures, the role of the press, basic components of congressional investigations, the role of the inspectors general, and Federal executive perspectives on the issue. 9:00 a.m. to 12:45 p.m., 2322 Rayburn House Office Building. Coordinator, Tom Miller.
March 6-8	DISTRICT/STATE STAFF INSTITUTE. Designed for congressional District and State staff, a program of lectures and discussions covering the U.S. Congress, CRS, Senate and House information systems, casework and other topics. Supported by the U.S. Senate and House of Representatives. James Madison Building, The Library of Congress, Washington, D.C. Coordinator, Chad Wilson.
April 13-16	CRS GRADUATE LEGISLATIVE INSTITUTE (CRS CONGRESS). In-depth studies of the legislative process for graduates of the CRS Advanced Legislative Institute. Participants play the role of of a Member of the CRS Congress, conducting proposed legislation through hearings, committee markup, House/Senate floor sessions, and conference committee. Coordinator, Jill Ziegler.

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tions alike, and have failed of enactment. In 1981, however, Congress enacted significant AFDC changes to narrow eligibility and to restrict benefits to those who do not work at all. One possible change to direct additional benefits to the poor would be to restore the so-called "work incentive bonus," which permitted AFDC-eligible persons to receive declining benefits as a supplement to earnings.

Even more controversial would be proposals to enact various basic changes in these programs or replacements for them. Ideas of this sort which have been proposed in the past include: a program of children's allowances; a negative income tax which would provide benefits through the tax system to all the poor regardless of household composition or source of income; a requirement that States establish an AFDC income floor that would guarantee all poor one-parent families a minimum income equal to a particular proportion of the poverty threshold (most likely lower than 100 percent).

In summary, the recent economic recession and cuts in social welfare programs have induced a rise in the rate of poverty in the United States. Continued economic recovery could be expected to relieve these conditions for some of the poor—those able and willing to work. Changes in the income tax laws could be designed to increase after-tax income of the poor who have earnings. For those with no close attachment to the workforce, income transfer program increases could be directed to those most in need. All such policy changes, whether income tax relief or social welfare spending increases, would put additional pressure on the federal budget deficit.

P. Royal Shipp is a senior specialist in social legislation.

See also Committee Print, House Ways and Means Committee, Background Material on Poverty (WMCP 98-15, Oct. 17, 1983). One of the 10 chapters was prepared by the Joint Committee on Internal Revenue Taxation, eight by CRS.

Yes, Mr. Meese, There *Is* Hunger in America.

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December 1983

On December 8, 1983, White House Counselor Edwin Meese in comments to the press said that he had not seen an "authoritative study" (on hunger). There is, in fact, well-documented evidence that hunger is pervasive in America. This analysis, prepared by the Center on Budget and Policy Priorities, presents recent data which challenges Mr. Meese's assertions and shows that a growing number of Americans are going hungry.

The analysis responds to the following:

- Evidence of Hunger in the United States
- People Going to Soup Kitchens Do Not Need It
- There Have Been Spending Increases, Not Cuts
- The Needy Haven't Been Hurt
- Is Poverty Diminishing?
- The Allegations Are Political
- The Task Force on Food Assistance

Evidence of Hunger in the United States

"I don't know of any authoritative figures that there are hungry children. I've heard a lot of anecdotal stuff, but I haven't heard any authoritative figures. . ."

"these allegations [of hunger] . . . have been unsubstantiated until now"

". . .some of the allegations are purely political"

"I don't believe that I have ever seen an authoritative study [on hunger]"

-- White House Counselor,
Edwin Meese III
December 8, 1983

Contrary to Mr. Meese's claims, there is a substantial body of evidence that large numbers of Americans are having difficulty getting enough to eat. There are a series of recent studies on this issue:

Survey by Center on Budget and Policy Priorities

To collect solid, statistically reliable data on increased needs for emergency food aid, the Center on Budget and Policy Priorities conducted a national survey last spring. The Center went to 16 metropolitan areas, geographically spread across the country, that are served by food banks. In each of the 16 areas, a random sample of soup kitchens and food pantries served by the local food bank was selected in accordance with established statistical procedures, and a standardized, pre-tested survey form was administered. Data was coded and then tabulated by computer. In all, 181 emergency food programs were surveyed, with the following results:

- More than half of the 181 emergency food programs in the survey reported that the number of persons seeking food assistance increased by 50 percent or more from February 1982 to February 1983.
- Nearly one-third of the programs experienced an increase in demand of over 100% during this period.
- Nearly a fourth of the agencies had to turn people away during the year. Two-thirds of the agencies limited the number of times the same person could get food (usually food pantries, which generally limited the provision of a 3-day supply of food to once a month).
- The survey found that a significant portion of those served sought aid because their food stamps did not provide enough food to last

through the month. (Food stamps now average 47 cents per person per meal). Over 80% of the agencies providing emergency aid reported that the number of people seeking help because their food stamps had run out had grown significantly over the year.

- Over 90% of the agencies surveyed reported that a significant portion of the persons they served were unemployed.

General Accounting Office

The General Accounting Office (GAO) issued a major report in June 1983 entitled "Public and Private Efforts to Feed America's Poor." The GAO reported that there have been significant increases in the numbers of persons seeking food aid and that "an unmet need remains."

The GAO visited 28 emergency food centers and found that "in almost all cases, the emergency food centers were serving more today than in the past. Many [centers] reported that food assistance needs were greater than ever. . ."

The GAO also found that persons seeking assistance included both those left out of government food assistance programs and those who do participate in these programs but "find that the benefits they receive do not go far enough. Food stamp recipients, for example, receive on the average approximately 47 cents per meal. . ."

Study Commissioned by USDA

The U.S. Department of Agriculture itself commissioned a study that found increased food needs. The Food and Nutrition Service of the U.S. Department of Agriculture (USDA) contracted with Social and Scientific Systems, Inc. of Washington, D.C. for an examination of emergency food centers across the country. Social and Scientific Systems conducted case studies of emergency feeding operations in nine locations covering all regions of the United States. In a report submitted to USDA in May 1983, Social and Scientific Systems presented the findings:

- "Most of the programs had seen a dramatic increase in the number of food boxes distributed between 1981 and 1982." The report found that "percentage increases ranged from fifteen to more than several hundred with the norm being in the range of 60 to 75 percent."

- "The emergency food distribution sites surveyed indicated that the number of recipients is increasing at a frenetic pace and that the emergency food available for distribution is quickly depleted."

- Most persons coming to emergency food agencies for help are unemployed and receive food stamps.

- Emergency food agencies almost universally report substantial increases in requests for help toward the end of the month, "often tripling the number of clients served the previous two weeks." This

occurs because "by the last two weeks of the month, many are out of funds for food because food stamp benefits are insufficient, delayed, or had been reduced, and available cash has been allocated to meet other necessities. Money that customarily would have been spent on food had invariably been used for higher utility costs, medical bills, and other pressing expenses."

Food Research and Action Center Survey

The Food Research and Action Center conducted a survey this summer in which data was collected on over 1,000 persons coming to emergency food pantries (as opposed to soup kitchens) at 27 different locations across the country. 62% of the recipients received food stamps; all but 4% of these persons reported that their food stamps ran out before the end of the month.

This survey also found that over half of those coming to emergency food agencies who had not applied for food stamps did not know they might be eligible.

U.S. Conference of Mayors

The U.S. Conference of Mayors issued a report "Hunger in American Cities" in June 1983. The report documents hunger conditions in eight cities across the country. The report found that "all of the cities studied have experienced recent and significant increases in the demand for emergency food assistance and that all have undertaken substantial local efforts to respond to these increases. Only three of the cities, however, are able to meet the increased demand, two of them just barely."

In releasing the report, the Conference of Mayors termed hunger the single greatest problem facing American cities today. Mayors providing data for the report included both Republican and Democratic officials.

Massachusetts Department of Public Health

In November, the Massachusetts Department of Public Health issued a major study on malnutrition among poor children in Massachusetts. The study was highly scientific. Height, weight, and blood test data were collected for children aged six months to six years receiving health care at health facilities in 20 areas in the state with substantial low income populations. The results showed that:

- Between 10,000 and 17,500 poor children in Massachusetts are stunted, due largely to chronic malnutrition. The report states that these children "may be suffering from inadequate food intake over a prolonged period of time."

- Nearly one in every five children surveyed was either stunted, wasted (abnormally underweight), or anemic. The survey reported

that "18.1% of the children sampled had one or more of these three indicators of undernutrition."

- Nearly one-third of the children eligible for food stamps (32%) were not receiving benefits, and 18% of the children eligible for AFDC were not getting benefits. In addition, most children eligible for the Special Supplemental Food Program for Women, Infants and Children (WIC) were left out of this program because of federal funding limitations.

Chicago Study

Initial findings from nutritional surveys conducted at Cook County Hospital were presented in October to the Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition of the House Agriculture Committee. The findings were presented by Dr. Agnes Lattimer, president of the Illinois Chapter of the American Academy of Pediatrics.

The findings showed:

- From summer 1981 to summer 1983, the hospital experienced a 24% increase in the number of children admitted for failure to thrive, diarrhea, and dehydration. These conditions often result from inadequate nutrition.

- In June 1983, children coming to the hospital's emergency room were screened to determine if they had abnormally low growth. 30% of all children coming to the emergency room were found to have abnormal growth. These children were then studied more intensively. The single major factor found was inadequate nutrition. Nearly half (47%) of the children with abnormally low growth had inadequate diets.

New York Study

In New York, doctors and medical students have conducted a survey of the nutritional status of persons seeking food aid. These results were also presented in October to the House Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition. The findings were presented by Dr. Victor Sidel, professor at Albert Einstein School of Medicine in New York City.

The survey -- of persons seeking aid at soup kitchens and emergency feeding programs, senior citizen centers, public assistance offices and health clinics -- found that the average food energy intake of those interviewed (except at the senior citizen centers, which serve elderly persons from all income categories) was just 1,200 calories a day -- below the bottom end of the range recommended by the National Academy of Sciences as necessary for good health.

The survey also found that persons interviewed who were seeking emergency food assistance spent an average of 70% of their incomes on food.

Dr. Sidel reported that "among the people interviewed, lack of income, not nutrition misinformation, seems to be the major reason for poor diets."

Boston Area Data

The Harvard School of Public Health has collected data on use of soup kitchens and food pantries in the Boston metropolitan area. The data, presented to the House Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition in October, shows that soup kitchens and food pantries in the Boston area were serving almost twice as many persons in May 1983 as a year earlier. The data was presented by Dr. Larry Brown, director of the Community Health Improvement Program at Harvard.

Brown also reported that more children have appeared at soup kitchens in the past six months, and that agencies keeping data by age often find that children comprise about 15% of those being fed.

People Going to Soup Kitchens Do Not Need It

> ". . . we've had considerable information that people go to soup kitchens because the food is free and that that's easier than paying for it"
>
> -- Edwin Meese III

- A study conducted by doctors and medical students in New York City -- which surveyed persons seeking aid at soup kitchens and other food aid agencies -- found that the average food energy intake of those seeking help was below the bottom end of the range recommended by the National Academy of Sciences as necessary for good health. The survey also found that these persons had such low incomes that they were spending an average of 70% of their incomes on food. These are hardly persons with sizeable incomes who are eating adequately and are just out to rip off a free meal.

- The churches, Salvation Army, private charities and other organizations who operate soup kitchens universally dispute Meese's contention. These are the individuals who are "on the front lines," feeding hungry persons every day. These charities and church organizations are not political organizations; they have no "ax to grind."

- Many soup kitchens are located in poor parts of town. Frequently, persons seeking food have to wait in line for an hour or more to be served. Normally the meals are prepared on a very low budget and, while nourishing, are not very appetizing. The idea that significant numbers of persons with adequate resources would travel to a poor part of town and wait in line with persons off the streets to get a rather unappetizing meal is not very credible.

There Have Been Spending Increases, Not Cuts

"We're spending more than ever before in history [on food programs], at a time of economic recovery."

-- Edwin Meese III

Following the furor over Meese's statement, the Administration released figures showing that the federal government spent more on food assistance in FY 1983 than in FY 1980. The Administration cited this data in an attempt to prove that there had been increases rather than cuts in food programs.

- The figures released by the White House are highly misleading. They fail to adjust for the extremely large increases in food prices and in unemployment between FY 1980 and 1983. They also fail to take into account the fact that cuts in other aid programs have reduced the incomes of poor families and thereby made them eligible for more food aid.

- The Congressional Budget Office's official figures, which do adjust for changes in inflation and unemployment, show that very substantial cuts have been made. The CBO figures show that for the four-year period from FY 1982-FY 1985, the food stamp program has been cut $7 billion and child nutrition programs have been cut $5.3 billion. During the current fiscal year, the cut in food stamps is $2 billion, while the cut in child nutrition programs is $1.4 billion. In other words, food stamp costs for FY 1984 are $2 billion below what they would be if no cuts had been made.*

- Many of these cuts affected very low income families. About two-thirds of the cuts in food stamps were achieved by reducing benefits for families below the poverty line. This can cause families to run out of food earlier in the month.

- Among the key factors glossed over by the White House, in releasing its figures, are the following:

  -- Unemployment averaged 9.8% in FY 1980, but 10.1% in FY 1983. The Agriculture Department estimates that each 1% increase in unemployment adds about $600 million a year to food stamp costs. Higher unemployment also increases school lunch costs by making more children eligible for free lunches.

  -- Food prices were 15% higher during FY 1983 than during FY 1980. This means that it cost 15% more just to buy the same quantities of the same foods and that if benefit levels increased less than this, then actual cuts -- in the amount of food provided -- were made.

-- Cuts in other programs (such as AFDC and unemployment insurance) reduced the incomes of families who were already poor and made them eligible for more food stamps. The Congressional Budget Office estimates that the cuts made in other programs during the Reagan Administration have increased food stamp costs by $350-$400 million a year. For each $10 in income lost by a food stamp family due to cuts in other programs, the family's food stamps went up by $3. By citing the resulting increase in food stamp expenditures, the White House implies that such families now have more to spend on food. In fact, these families suffered an overall net loss in income available for food.

- Meese's statement also implies that spending on food programs is continuing to grow during a period of economic recovery. This is flatly incorrect. The Congressional Budget Office estimates that food stamp spending in FY 1984 will fall nearly $1 billion below FY 1983 levels.

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*Source: Congressional Budget Office, Major Legislative Changes in Human Resources Programs Since January 1981, August 1983.

The Needy Haven't Been Hurt

"In these welfare reform programs [the Reagan budget reductions in welfare programs], we have made sure that no one who is truly in need is penalized."

-- Edwin Meese III

- The Administration's budget reductions have directly and dramatically affected poor families. In over half the states, working mothers and children with incomes as low as 50% of the poverty line are now terminated from the Aid to Families with Dependent Children (AFDC) program after their fourth month on a job (see Appendix A). This is a direct result of Administration budget cuts enacted in 1981.

- In addition, only 38% of the unemployed now receive unemployment insurance (as compared with 78% during the 1975 recession, when unemployment was also in the 8%-9% range.) This is a result both of budget cuts in the unemployment insurance program enacted in 1981 at the Administration's request and of the long period of time for which unemployment has remained at high levels.

- Analyses issued by the Congressional Budget Office (CBO) in 1982 found that the combined effect of the budget and tax cuts enacted in 1981 and 1982 has been to reduce the income and benefits of households with incomes below $10,000 a year by $20.5 billion over the four-year period from 1982 through 1985. (By contrast, CBO found that the wealthiest 1.2% of all households -- those with incomes over $80,000 a year -- will receive a net increase of more than $64 billion in after-tax income over this same four-year period).

Sources: Congressional Budget Office, Effects of Tax and Benefit Reductions Enacted in 1981 for Households in Different Income Categories, February 1982; Congressional Budget Office, Effects of Changes in Taxes and Benefit Payments Enacted in Fiscal Year 1982, For Households in Different Income Categories, November 1982; data on AFDC benefit levels from the Congressional Research Service; data on unemployment insurance coverage from U.S. Dept. of Labor, Bureau of Labor Statistics, "The Employment Situation: November 1983."

Is Poverty Diminishing?

"I think the situation is less serious as far as poverty is concerned than it was three years ago, and this is primarily because President Reagan's economic policies have done something for low-income citizens that no government program can ever do, and that is to reduce the inflation rate. The spending power of people on limited incomes has been vastly increased in the course of these last 2 1/2 or three years. . ."

-- Edwin Meese III

Poverty

- The number of people below the poverty line jumped by 5 million from 1981 to 1982. The Census bureau reports that the number of persons below the poverty line grew from 29.3 million in 1980 to 34.4 million in 1982. 13% of Americans were poor in 1980. 15% were poor in 1982.

- While there is some debate over the poverty line and how best to measure poverty, all experts in the field agree that no matter how you measure poverty, the number of persons who are poor has grown substantially in the last three years. This holds true even if in-kind benefits are counted as income in determining who is poor. At hearings held by the House Ways and Means Committee this fall, both Rudolph Penner (director of the Congressional Budget Office) and the Administration's own spokespersons acknowledged that poverty has increased.

- Moreover, CBO director Penner reported at the hearings that the "poverty gap" has grown substantially over the past few years. The "poverty gap" is the total amount by which the incomes of all who are poor fall below the poverty threshold. This (rather than the number of persons below the poverty line) is in many ways the best measure of the severity of poverty -- because it takes into account not only the numbers of poor persons but also just how poor they are.

- Penner testified before the Ways and Means Committee that "not only has the rate of poverty been increasing, but so has the degree of poverty. . . . Between 1981 and 1982, the poverty gap. . .rose faster than the rate of poverty -- increasing (in 1982 dollars) from $39 billion to $43 billion."

- Penner also testified that poor persons have been falling deeper into poverty. He reported that "the proportion of poor persons with incomes at 75% or less of the poverty line increased from 61% in 1978 to 68% in 1982."

Inflation and purchasing power

- Meese's claim that "the spending power of persons on limited incomes has been vastly increased" is also flatly wrong. The claim is disproven by data collected and issued by the Commerce Department. The Commerce Department's official measure of purchasing power (its index for per-capita real personal disposable income) shows that the after-tax purchasing power of the U.S. population has increased at a rate of only about 1% per year during the Reagan Administration's tenure. This is the lowest rate of increase of any Administration for the past 30 years. While it is true that the rate of inflation has diminished, so has the rate of increase in wages and benefit payments.

- Moreover, this 1% annual increase is an average for the entire population. For those in higher income brackets, the increase is larger, due to the tax cuts enacted in 1981. For those in the lower income brackets, who received little or nothing from the tax cuts, purchasing power has likely declined under the Reagan Administration. This is especially true for those living in poverty whose benefits have been reduced by the budget cuts.

- This is borne out by the fact that analysis by economists at the House Ways and Means Committee shows that between one-third and one-half of the increase in the "poverty gap" from 1981 to 1982 is directly attributable to the budget cuts.

Sources: Statement of Rudolph G. Penner, Director, Congressional Budget Office before the Subcommittee on Oversight and the Subcommittee on Public Assistance and Unemployment Compensation, Committee on Ways and Means, U.S. House of Representatives, October 18, 1983.

Bureau of the Census, U.S. Department of Commerce, Money Income and Poverty Status of Families and Persons in the United States: 1980, 1981, and 1982, Series P-60.

Purchasing power data is provided by Bureau of Economic Analysis, U.S. Commerce Department and is defined as Per Capita Real Disposable Personal Income.

The Allegations Are Political

"I think some of the allegations [of hunger] are purely political."

-- Edwin Meese III

For the allegations to be political, the Salvation Army, Catholic Charities agencies, the United Way, and other private charities all across the country would have to have political motivations. These are the agencies that are in the front lines helping to feed hungry people -- and it is they, more than anyone else, who have come to the Congress and to the President's Task Force on Food Assistance and provided the evidence and the testimony on hunger.

In addition, if the allegations are political, then the Republican mayors who have testified on this issue and who helped put together the reports on hunger in American cities issued by the U.S. Conference of Mayors would also have to have some anti-Administration political motivation (see Appendix B).

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Director

INCOME CUT-OFFS IN THE AFDC PROGRAM

As a result of the 1981 budget cuts, AFDC gross income limits are now set at very low levels for working mothers who have been on a job for more than four months. After the fourth month on the job, income limits for AFDC working families of four who do not incur child care costs are as follows:

- In 41 states, the income limit is below $5,750 -- or below 60% of the poverty line
- In over half the states (26 states), the income limit is below $5,000 a year -- or below 50% of the poverty line
- In 15 states, the income limit is below $4,000 a year (or 40% of poverty)
- In 11 states, the income limit is below $3,500 a year (or about 35% of the poverty line)
- And in 6 states, the income limits are set below $2,700 a year -- below 27% of the poverty line

AFDC families with child care costs can earn somewhat more and still receive AFDC benefits. However, HHS data shows that, prior to the 1981 budget cuts, 72% of AFDC working families did not incur child care costs. Thus, the income limits shown here are the income limits that apply to the vast majority of AFDC working families after their fourth month on the job.

It should also be noted that in the majority of those states with income cut-offs below $5,000, AFDC mothers and their children are also terminated from Medicaid coverage when they are knocked off of AFDC.

The Task Force on Food Assistance

". . . that's one of the reasons why the President appointed a task force on food assistance, to get to the bottom of some of these allegations which have been unsubstantiated until now."

-- Edwin Meese III

The Task Force members appear to have been carefully selected by the White House to exonerate Administration policies. Every member of the Task Force falls into one of two categories: 1) persons who had collaborated with the Adminstration in the past in calling for deep cuts in food assistance programs or 2) persons who had no prior experience whatsoever with federal food assistance programs (see Appendices C and D).

Mayor of Cleveland Beseeches U.S. for Additional Food Aid

By Margaret Engel
Washington Post Staff Writer

CLEVELAND, Feb. 26—A House subcommittee attempting to measure the extent of America's hunger came to Cleveland today and heard the city's Republican mayor plead for the federal government to turn food in government warehouses over to the city's 105,700 unemployed.

"There is no community in the nation that has done more to help itself," said Mayor George Voinovich, who said 8½ tons of vegetables were raised by comprehensive education and training act (CETA) workers in 180 city gardens in women last year.

"But we have reached the end," he said. We cannot see cutbacks in federal nutrition programs that will knock the legs from under this community."

He asked that the government's butter and cheese giveaways be expanded to include stockpiled stores of 16 additional commodities, such as rice, corn, oats and wheat.

The situation is so desperate in Cleveland that farmers from Grand Forks, N.D., promised this week to send 50,000 pounds of elbow macaroni to the city in the spring.

Throughout the city—where unemployment climbed to 15 percent as many major manufacturers permanently laid off workers—churches and charities have opened more than two dozen new soup kitchens.

The subcommittee arrived at a sensitive time—the end of the month, when food stamp benefits have been exhausted and four days before Social Security checks arrive.

Seven House members, all Democrats except for Rep. Bill Emerson of Missouri, heard church, labor and welfare officials state that April 1 would bring a new food crisis as the winter prohibitions against utility shutoffs end in many states.

"We'll have major shutoffs of utilities in April and people will struggle for months to find money to get utilities back for winter," said John Mansingh of the Inner-church Council, a group of 700 Protestant churches in Cleveland. He noted that 161,000 people in northern Ohio are scheduled for utility shutoffs.

"That money will come from their diet," he said.

A parade of witnesses, many of whom included prayers in their testimony, filled the downtown church where Rep. Leon E. Panetta (D-Calif.) termed their reports "a national shame."

The Rev. Robert Begun, director of the Hunger Service Center of the Catholic diocese of Cleveland, said Clevelanders routinely wait two hours for free government cheese and butter.

The stress of waiting in line for food may have contributed to the death of Fred Barker, 67, who died Thursday of a heart attack while waiting in a Salvation Army cheese line on Cleveland's east side.

"He was in need of food," Dan MacMurdo of the Salvation Army said of Barker. "He died at the end of a very long line."

At Metro General Hospital, a public facility, there were 619 low birth-weight babies in 1982, an increase of 109 from 1981, reported Christine Shenk, a nurse midwife at the hospital.

Requests for emergency formula, given to infants judged to be inadequately nourished, increased 167 percent in December, 1982, compared with a similar period in 1980, Shenk said.

"We know that low birth-weight babies risk having a lower intelligence, three times more birth defects and retardation," she said. "We'll all be paying the price later on."

Euclid, a middle class suburb of 100,000 with 20 percent unemployment, opened its first food distribution center this year. Government butter and cheese had been distributed through churches to avoid the public stigma of receiving free food.

"Our older residents in many instances have resorted to shoplifting to keep from going hungry," said Walter Nemy, director of the city's food programs. "God help us for letting this happen."

Demand for food is so great at St. Patrick's Church that 100 people wait in its basement while another 100 eat a hot meal upstairs. Mark Brenner, director of the church meeting, said the demand requires him to give individuals only one-quarter of the government's five-pound block of cheese.

The city's Inner-church Council, which runs 16 food-distribution centers, opened three sites in November to provide hot meals on the last six days of the month. Because of the 2,500-person waiting list for the women, infant and children's (WIC) supplies' program in Cuyahoga County, the centers will begin mailing infant formula next month.

CENTER ON BUDGET AND POLICY PRIORITIES

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BACKGROUNDER

PRESIDENTIAL TASK FORCE ON FOOD ASSISTANCE

The 13-member Task Force on Food Assistance announced by the White House September 8, 1983 is packed with conservative allies of the Reagan Administration who have called for sharp cuts in food or other basic assistance programs for the poor.

The Task Force appears to have been selected to exonerate past Reagan Administration policies and budget cuts in the hunger area, and possibly even to give the Administration political cover to recommend further cuts.

The Center's research shows that the only members of the Task Force with any academic, research, or administrative background in federal food programs such as food stamps and school lunch are all persons who have collaborated with the Reagan White House in efforts to cut the programs deeply. These persons include:

- Dr. George Graham of Johns Hopkins University who was hired by the Office of Management and Budget (OMB) in 1981 to produce a rationale for cutting a program that provides prescription food supplements to low income pregnant women and young children at nutritional risk, and who was the only person with a medical background to testify in favor of the Administration's ill-fated proposals to reduce the amount of food in school lunches.

- Kenneth Clarkson, an economist who as Reagan's associate OMB director (until April 1983) helped develop the Administration's budget proposals to cut food stamp and child nutrition programs an additional $1.3 billion next year, and who authored a book in 1975 that called the food stamp program a failure and said it should be replaced or abolished.

- J. P. Bolduc, a vice president at W.R. Grace and Company who was chief operating officer of the President's Private Sector Survey on Cost Control. The Private Sector Survey called for $6.7 billion of new food stamp benefit cuts over the next three years, including benefit cuts for 96% of all food stamp households and complete termination of benefits for some elderly persons with incomes as low as 68% of the poverty line.

In addition, the Center's research found that the sole Democratic public official on the Task Force, former Massachusetts Governor Edward King, is a staunch conservative who broke with most other Democratic governors in supporting Reagan budget cuts and who attempted to cut public assistance programs severely in Massachusetts. King called for termination of benefits for families with children where both parents are present even if the parents were unemployed and without income, and also tried to end state-funded relief for long-term unemployed persons over age 45.

Several other task force members have close ties to conservative organizations. The task force's chairman, J. Clayburn LaForce, is on the board of the highly conservative Pacific Legal Foundation, while Donna Carleson-West is former national chair of the American Legislative Exchange Council, an organization closely affiliated with the Republican right.

A number of Task Force members have worked directly with the Reagan Administration in efforts to cut the programs they are now asked to study. While this does not mean that everyone named to the Task Force is biased, those persons on the Task Force who have not called for program reductions and who do not have political or ideological ties to the White House lack expertise in federal food programs and will have their hands full dealing with a solid core of Task Force members and White House staff with far more background and experience in this area.

Hunger Panel Cancels Final Meeting

By ROBERT PEAR
Special to The New York Times

WASHINGTON, Dec. 12 — Under the original plan, President Reagan's commission investigating hunger in America was to have met for the last time this week, so members could discuss the contents of their final report.

Instead, the members have canceled the meeting amid disagreement among themselves over the extent of hunger and how best to alleviate it.

Cancellation of the session set for this Thursday and Friday drew criticism from some members of the Task Force on Food Assistance, who said they would now have no opportunity for a group discussion of hunger. The cancellation avoids public criticism of Reagan Administration policies and of recent comments by Edwin Meese 3d, counselor to the President. However, the decision to cancel preceded Mr. Meese's statements.

Mr. Meese said last week that some allegations of hunger were "purely political" and that some people went to soup kitchens "because the food is free" and "that's easier than paying for it." Some members of the task force said that they disagreed with the tone of Mr. Meese's remarks and that the problem appeared to be more severe than he realized.

Individual Trips to Capital

The chairman of the task force, J. Clayburn La Force Jr., dean of the Graduate School of Management at the University of California, Los Angeles, and the executive director, John Kaisian, said that panel members would be invited to Washington individually to discuss their views with the staff writing the report. However, they said, the staff will take precautions to make sure that no more than four panel members are present at one time, because, if a quorum were present, it could violate a Federal law requiring advisory committees to transact business in public.

The Federal Advisory Committee Act, adopted in 1972, says that each meeting of an advisory panel "shall be open to the public" unless it would disclose classified information, compromise a law-enforcement investigation or cause a "clearly unwarranted invasion of personal privacy." A major purpose of the law was to promote openness in government decision-making. At last count, there were 878 advisory committees on issues ranging from drug safety to military policy.

When President Reagan created the Task Force on Food Assistance last August, he said he was "perplexed" by reports of hunger because every poor person was eligible to receive free food stamps. Antipoverty groups complained that the panel was "stacked" with conservatives likely to support Mr. Reagan's policies. But at the first meeting, on Sept. 27, Mr. La Force said people should not prejudge the work of the panel.

No Discussion Planned

The task force has held hearings in seven cities, but has not discussed its findings or recommendations, nor has it taken any votes. Asked whether there would be any such discussion, Mr. Kaisian said, "No. I don't think it's necessary." The panel's final report, containing the members' conclusions distilled by the staff, will probably be released Jan. 9 or 10, Mr. Kaisian said.

Panel members say many Americans are in need of food.

This procedure seemed to vex some commission members. John Douglas Driggs, chairman of the board of Western Savings and Loan Association in Phoenix, Ariz., said, "I would have liked an opportunity to discuss the issues with all the task force members present at one time." Asked how the panel's recommendations would be formulated, Mr. Driggs, a Republican who helped found a nationwide network of food banks, said: "Your guess is as good as mine. I can tell you categorically that the task force has not given the staff any direction or guidance whatsoever."

Another member of the group, Brian M. Davis, director of the George Washington Carver Association, a social service organization in Peoria, Ill., said, "The 13 of us somehow, some place, at some time, might get together to come up with a consensus."

Task Force Assailed as 'Farce'

Mr. La Force said he had decided to use private consultations, rather than a public meeting, because the conferences would permit the staff to elicit members' views "in a more efficient, complete, concentrated manner."

But Nancy Amidei of the Food Research and Action Center, a long-time lobbyist for poor people, said that the task force was becoming a "farce." She said that the chairman and some members of the panel were "apparently willing to be a pawn of the White House," a charge that Mr. La Force denied.

Interviews with nine panel members suggested that the final report would emphasize these themes: There are many people in genuine need of food. The evidence is more than "anecdotal," the term used by Mr. Meese. But the Federal Government needs a new system to collect data on the nutritional status of people.

Part of the problem is attributed to the presence of homeless people in the nation's cities. Many of them were released prematurely from state mental hospitals, and their needs do not necessarily reflect a failure of food assistance programs.

One task force member, Dr. George Gordon Graham of Johns Hopkins University, said: "I have seen no evidence, and I don't think there is any evidence, of an increase in malnutrition in this country. There is a decrease."

But other task force members, who said they had more information than Mr. Meese, reached different conclusions. For example, John M. Perkins, founder of the Voice of Calvary Ministries in Pasadena, Calif., said: "There is something severely wrong. There are kids out there who are not getting food, who are hungry."

Mayor Richard L. Berkley of Kansas City, Mo., a Republican, said, "If somebody is willing to stand in line two hours for a couple of pounds of cheese and dried milk, they are hungry."

And Mr. Driggs said the panel's hearings supported there was "far more of a problem" than Mr. Meese acknowledged.

Meese: 'The Food Is Free and... That's Easier Than Paying for It'

United Press International

Following is a partial transcript of the interview Thursday between presidential counselor Edwin Meese III and wire service reporters. The transcript covers portions of the interview that dealt with hunger and poverty.

Q. Possibly a naive question: philosophically, how do you balance the need for spending reductions with judgments by authoritative organizations that, for instance, there are too many hungry children in America? Philosophically, how do you balance the need—and I think everyone agrees on the need—to reduce the deficit, with children; not adults, children?

Meese. Well, I don't know of any authoritative figures that there are hungry children. I've heard a lot of anecdotal stuff, but I haven't heard any authoritative figures, and as a matter of fact, that's one of the reasons why the president appointed a task force on food assistance, to get to the bottom of some of these allegations which have been unsubstantiated until now. So, if there are hungry children, the question is, why are they hungry? The United States government is spending more on food assistance than it ever has in history. We're spending it for more categories of people, we're spending it for higher levels of income than we ever have before and I think the real question is, if people are hungry, if there are such individuals, particularly children, then why are they hungry?

Q. Refresh my memory; when is this commission's report?

A. I believe that the commission was appointed about three months ago. I would imagine that they will finish their work and report sometime the end of this year or early next year.

Q. There is a date; I've forgotten it.

A. Yeah, I've forgotten it myself.

Q. What would be your own hunch as to why they might be hungry, if there are such hungry children?

A. I don't know; that's what we want to find out. First of all, you'd have to find out if there are hungry children, and then you'd have to find out why, when we're spending more than ever before in history, at a time of economic recovery. I can understand why there would be additional need during a period of, as we had during the recession, and of course that's when the resources were increased to meet those needs. But I think that with all of the resources of the federal government, with all the resources of state and local governments, with all the voluntary organizations, if people are going hungry there must be some problem that has not been addressed, and it isn't a lack of funds.

Q. And pending the report of the commission, you don't know what the reasons are for the allegations?

A. Oh, I think some of the allegations are purely political.

Q. I can almost hear some of the government's critics following upon your statement with criticism about the government and hungry kids, with charges that you've probably heard before about whether or not the government has a heart, whether the administration has a heart. How do you feel about that? Do you feel that you get a lot of unjust criticism? Where does it come from?

A. Well, first of all, when you say hungry kids, we're talking about allegations that there are hungry kids. I'm sure that there may be situations in which there are hungry people, and that's why this administration is concerned as to, if that is true, why. I was responding earlier to somebody saying there had been authenticated accounts of hungry people. I have not seen those authenticated accounts; I doubt if anyone else has.

Q. They used the word authoritative.

A. Authoritative. Okay. All right, I don't know who has been the authoritative source on the other side.

Q. Various organizations, I forget their names.

A. I think you'd have to look at what those organizations are and what their motivations are. But I do feel as far as your question is concerned, I think this administration has demonstrated its heart. I think that the president has said that one of the principal duties of this government, of the federal government under his leadership, is to provide for those who are truly needy. And each of the steps that we have taken, whether it's budget cuts, whether it's reform of programs, whether it's restructuring of spending priorities, has been to make sure that those who are truly in need have been taken care of. The welfare reform program, which has been a very successful program, where even organizations that have done evaluations that are—and those organizations are not particularly friendly to the administration—have had to admit that the welfare reforms are working. In those welfare reform programs, we have made sure that no one who is truly in need is penalized.

Q. You've seen no reports [on hunger]?

A. I didn't say that. I have seen reports. Whether they are authoritative...

Q. But nothing in government, inside the government?

A. Nothing inside the government? I don't think I've ever seen a report inside the government. You mean from a governmental bureau? Not that I know of.

Q. Or any kind of authoritative study at all . . . .

A. I don't believe that I have ever seen an authoritative study, no.

Q. So you base your statement on the fact that you don't really know?

A. I base my statement on the fact that there have been allegations made in public that there are hungry people, and that's why the president . . . .

Q. But why do they go to soup kitchens on holidays?

A. Well, because they want to get food. But that people are not being cared for, or that people are going hungry involuntarily, that's why the president has appointed this task force on food assistance to find out if that is true and if so, why.

Q. You think others are going hungry voluntarily?

A. Well, I think some people are going to soup kitchens voluntarily. I know we've had considerable information that people go to soup kitchens because the food is free and that that's easier than paying for it.

Q. Oh, you mean that they can afford it and then they still go . . .

A. I think that they have money. I think we have a system in this country that virtually everyone is taken care of by one program or another, that is, who is certainly truly in need, and a lot of people who are on the margin.

Q. How serious do you personally think the problem of poverty is in the country at this point?

A. Well, I think the situation is less serious as far as poverty is concerned than it was three years ago, and this is primarily because President Reagan's economic policies have done something for low-income citizens that no government program can ever do, and that is to reduce the inflation rate. The spending power of people on limited incomes has been vastly increased in the course of these last 2½ or three years simply by the reduction of inflation, and that gain is greater than any program can give them.

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Dr. Agnes Lattimer, Testimony before House Subcommittee on Domestic Marketing, Consumer Relations and Nutrition of the House Committee on Agriculture, October 20, 1983.

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Child Protection report

THE INDEPENDENT NEWSLETTER COVERING CHILDREN/YOUTH HEALTH AND WELFARE SERVICES
1301 20th St. N.W. Washington, D.C. 20036 Tel. (202) 785-4055

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Dear Colleague:

TWO OF THE GOODIES in the FY 82 discretionary R&D "pot" created by HHS Assistant Secretary Dorcas Hardy have been served up to her former employer -- the Center for Health Services Research, a unit of the University of Southern California's School of Medicine. Hardy has awarded the Center a $244,927 grant to write a handbook that states can use in assessing the "cost-effectness of alternative" child foster care placements and outcomes. The second grant of $149,031 is for a "status report" on how states are developing social services management information systems. Principal investigator for both one-year projects is Edward M. Young, director of the UCLA Center. The 36-year-old Hardy was associate director of the center from 1974 until her federal appointment in March 1981 by President Reagan.

Favoritism is Denied

DORCAS HARDY AWARDS $393,953 IN R&D GRANTS TO HER FORMER EMPLOYER, A UCLA HEALTH UNIT

CPR has learned that Young served as a panel reviewer of concept papers submitted by prospective grantees in the competition for awards. According to Richard Shute, head of the Office of Human Development (continued on pg. 2)

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LOOK FOR A POST-ELECTION major reorganization of the Dept. of Health and Human Services. Its due November 15 and will signal new Administration strategies to deal with the ballooning FY 83 deficit. HHS Secretary Schweiker also could be departing.

* * *

THE BATTLE TO STOP the Reagan Administration from watering down the rules governing implementation of reforms to remove thousands of children from foster care is taking a new turn. The Children's Defense Fund, employing information uncovered from HHS Administration for Children, Youth and Families, is challenging the legality of revised regulations for P. L. 96-272 proposed on July 15 (CPR 7/16/82). CDF charges that "staff instructions" issued in April by ACYF for grading state compliance with Title IV-B requirements, to determine eligibility for additional funds, actually amount to "substantive rules" that should have been included in the July 15 proposal for public comment. The "rules," CDF contends, should fall under the Administrative Procedures Act. That they were omitted constitutes a "backdoor device" to allow lax compliance by the states. (cont'd on page 3)

Legality Challenged

CDF CHARGES ACYF'S 'BACKDOOR DEVICE' WEAKENS RULES TO REFORM FOSTER CARE

William T. Howard, Editor & Publisher Karen Lowe, Assistant Editor

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Hardy's Awards (continued from page 1)

Services' Office of Program Development, Young did not sit on the panels that okayed his grants. However, final approval of the awards was made by Hardy. Asked if this was a conflict of interest, Shute said: "Let's put it this way. Any number of organizations and universities have people who go into federal work. That shouldn't disqualify all those organizations from getting grants. UCLA has gotten grants from us in the past and probably will in the future. The fact that Hardy worked there doesn't have that much sway. The (review) panels did rate these papers high and they were selected on that ranking." Hardy was not available for comment on the grants, which were disclosed late last week by OHDS along with other awards (see page 3).

PLAYING 'FACILITATOR' ROLE

Under the grants, Young told CPR, his center will be helping OHDS in its role as a "facilitator" -- in this case, adapting management information and evaluation techniques developed in the health care industry to "analogous situations" in social services. Acknowledging that his center's expertise is "primarily" in the health field, Young said "over the years our work has grown to be about 50-50 health and social stuff." The latter includes work on child support enforcement and managment of programs for the aging. He said the grants totalling almost $400,000 were more than 40 percent of the center's projected revenue for the next 12 months. The grants also place the center fourth among agencies receiving the highest amounts from Hardy.

* * *

Mandatory vs. Voluntary

STATE REPORTING OF FOSTER CARE DATA BOGGED DOWN; KEEPING CONGRESS IN DARK

DORCAS HARDY IS HEADING into a new flap with Congress -- the failure of her Office of Human Development Services to produce a reporting system that measures state progress in removing children from foster care under P.L. 96-272. The assistant secretary apparently favors voluntary reporting. However, CPR has learned that Clarence Hodges, commissioner of the Administration for Children, Youth and Families, is urging a mandatory system. The reason: a survey by the National Governor's Conference shows only 27 state and territorial jurisdictions, which serve less than half of the children in foster care, are willing to provide foster care and adoption data for FY 83. Three of the 10 largest states -- New York, New Jersey, and Illinois -- didn't respond to the survey. California, Ohio, Pennsylvania, and Indiana agreed to voluntary reporting; Florida, Massachusetts, and Michigan okayed mandatory reporting.

The law specifies that Congress is to receive "periodic" data from HHS on the status of all children in the foster care program. Such information was lacking when the law was passed in 1980. Now, it looks like Congress will still be in the dark three years later when it tries to formulate policy for the program which the Administration keeps trying to block grant.

VCIS -- A NEW RUB?

Hardy currently is funding -- for $80,000 -- an American Public Welfare Association project to implement a Voluntary Cooperative Information System (VCIS). Its envisioned as a substitute for compiling data once collected in Washington from Title XX social services state plans before the program was switched to a block grant with no reporting required. CPR hears Hardy is looking at VCIS as a balm to her problem by expanding it to include foster care and adoption statistics. The trouble is many state child welfare information systems are embryonic and won't be able to yield much useful data for a year or more voluntarily or otherwise. Hardy's grant to UCLA's Center for Health Services Research (see above) is supposed to help speed up the process. That work, however, won't be completed for a year.

MANAGEMENT OF THE NATIONAL ADOPTION Information Exchange, operated by the Child Welfare League of America, Inc. for the past three years under a $1 million contract, is changing hands. The new manager: the Adoption Center of Delaware Valley, Philadelphia, Pa. HHS' Office of Human Development Services has given the center a $350,000 grant for one year to expand the system. It is one of 167 projects funded under the new consolidated "priority" approach mandated for FY 82 by HDS Assistant Secretary Dorcas Hardy and has stirred some behind-the-scenes controversy.

FY 82 R&D Awards

OHDS FUNDS 167 PROJECTS FOR $22 MILLION; CWLA LOSES NATIONAL ADOPTION EXCHANGE JOB

CPR hears the grantee came in with a highly ambitious scheme for listing hard-to-place children with "special needs" employing a nationwide telecommunications system -- then was allowed to scale it back to fit the money available to CWLA's consternation. An OHDS official who would neither confirm nor deny such an accommodation was made, said the Adoption Center was picked because it had a "more open approach" than CWLA's proposal. The new register will not require a prior home study of a prospective adoptive family before listing as did CWLA, which operated on a matched referral basis. The Adoption Center plans to register 15,000 special needs youngsters and 20,000 families willing to adopt in a system linking local adoption agencies, regional exchanges, and parents. It will have a "corporate advisory group" to promote Hardy's goal of making the exchange an entirely private sector operation. Incidentally, the R&D "pot" did hold something for CWLA. Its North American Council on Adoptable Children received a $111,315, 15-month grant to train 125 adoptive parent/agency worker teams in six to eight states.

Total funds being expended by Hardy on the 167 projects (including 10 consolidated regional resource centers reported earlier by CPR) comes to only $22.3 million -- far short of the $34.3 million Hardy earmarked for 11 priority "areas" of study in last year's November 16 announcement. Richard Shute, director of OHDS' Office of Program Development, said he expects about 30 additional awards to be made in the first quarter of FY 83 and this "should round it out to between $30 million and $34 million." The spillover, he said, would help correct OHDS' "dismal record" in competing and issuing grants in the same fiscal year funds are appropriated. There will be a similar carryover in FY 83 awards.

30 GRANTS AND $12 MILLION TO GO

Shute indicated the 30 pending grants would be in various social services support areas, the promotion of volunteer services, and management information systems. Only 13 projects have been funded so far for about $1 million to enhance volunteerism (Hardy's cherished priority area 6.1). OHDS last November announced plans to launch 15 to 30 projects in this category and spend $3 million. The awards made to date also give short shrift to runaway and homeless youth, and the rehabilitation of delinquents. These target groups are being relegated to the consolidated regional resource centers, which have been told to devote 25 percent of their funds to projects assisting problem teenagers.

On the other hand, OHDS is beefing up efforts to prevent institutional abuse with "cross cutting" projects. A $95,000 grant went to Cornell University's Family Life Development Center to develop training materials for crisis intervention and identifying, reporting, and investigating incidents of children being maltreated in out-of-home residential settings. The plan is to create a cadre of experts who will assist regional resource centers, states, and institutions apply the curricula and form a national consortium to perpetuate the services.

INSTITUTIONAL ABUSE PROJECTS

(continued on next page)

FY 82 R&D Awards (continued from page 3)

The Cornell Center is the Region II Regional Resource Center on Children & Youth under a $344,000 grant. The institutional abuse award brings its total to $439,000 -- the highest amount given so far to any grantee. Here's a run-down of other cross-cut institutional abuse awards -- all separate from those given out by HHS' National Center on Child Abuse and Neglect (CPR 10/12/82).

* Council for Community Services, Inc., Providence, R.I. Develop teams of volunteer professionals to monitor and provide technical assistance to institutions to prevent abusive situations from developing; will work with advocate/ombudsman. $117,453, 15 mos.
* Pennsylvania State University. Study to develop ways of combatting abuse of students in Bureau of Indian Affairs boarding schools. $99,978, 12 months.
* Barry University School of Social Work, Miami, Fla. Harvey Abrams. Develop and disseminate model statute and training programs to other states a prevention program based upon Florida law to combat institutional abuse/neglect of persons with developmental disabilities. $78,800, 36 months.
* Temple University Developmental Disabilities Center, Philadelphia, Pa., Edward Newman, Frank Laski. For replication across the country, demonatrate a human rights committee model (with curriculum) using trained citizen volunteers to protect institutionalized DD children and adults. $154,000, 12 months.
* New Jersey Division of Youth & Family Services, Trenton. Develop a training program for boarding home owners and operators to protect adult residents from abuse/neglect/exploitation. $65,600, 12 months.

OHDS is also funding community projects that will employ "helping networks" and volunteers to aid in the prevention of child and adult abuse in family situations. Here is a list of projects involving primarily children:

* Navajo Community College, Tsaile, Ariz., Lizabeth Mauswald and Jud R. Cunningham. Study of three informal helping networks used in Navajo communities for resolving family problems, plus training in their use by CPS workers. $111,685, 24 months.
* Eastern Montana College, Billings, Dr. Billie J. Thomas. Develop a program of "volunteer friends for abusive parents" referred from CPS and battered spouse shelter. $26,361, 1 yr.
* Inupiat Community of the Arctic Slope, Barrow, Alaska. Improve preventative services for "at risk" families, adolescents returning from institutions. $118,887, 12 months.
* Alexandria, Va., Department of Human Services, Mark Horowitz. Create an interagency case management team of professionals and volunteers to deliver preventative services to teenage mothers, elderly, unemployed heads of households, and spouse abuse victims. $162,000, 18 months.
* College of St. Scholastica, Duluth, Minn., Dr. Chandra M.N. Mehrotra. Training in preventive services for younger family members, aid aged relatives. $63,737, 24 months.
* Experimental Education Unit, University of Washington, Seattle, Dr. Rebecca Fewell. Develop handbook to help young siblings adjust to life with a handicapped child. $20,000, 1 year.

Edward Zigler, former head of HHS' Children's Bureau (Office of Child Development), won a $225,000 grant for Yale University's Bush Center in Child Development and Social Policy. The purpose: to conduct a conference of local model developers of alternative family-intervention "strategies," and agencies which would like to adapt them. A resource guide will be published.

NOTE: More of the FY 82 awards will be published in the next issue of CPR.

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Child Protection report

THE INDEPENDENT NEWSLETTER COVERING CHILDREN/YOUTH HEALTH AND WELFARE SERVICES
1301 20th St. N.W. Washington, D.C. 20036 Tel. (202) 785-4055

Vol. IX, No. 13

July 1, 1983

Dear Colleague:

A REBOUND TO PRE-REAGAN LEVELS. That's the new outlook for many children and youth health and welfare programs under the FY 84 Budget Resolution okayed by Congress last week. Actual funding is still subject to action by authorizing and appropriations committees -- and perhaps a Presidential veto. Despite these uncertainties, advocates are rejoicing. The main reason: the resolution provides $2.8 billion for the Title XX Social Services Block Grant -- $300 million more than requested by President Reagan -- plus add-ons to a dozen categorical programs for needy young people that total well over $3 billion. The budget allocations in effect guarantee more funding. The only question is how much for individual programs.

FY 84 Budget Resolution

CONGRESS GIVING NEW PRIORITY TO CHILD HEALTH; TITLE XX BOUNCING BACK TO PRE-REAGAN LEVELS

Here's a rundown of the major new allocations for FY 84:

* $200 million for a "downscale" CHAP -- a revival of the child health assessment program that builds on the present Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) program for children under Medicaid. The House had approved $350 million for a full-scale CHAP, but had it cut back in the House-Senate conference. Rep. Henry Waxman (D-Calif.), chairman of the House Subcommittee on Health and the Environment, is writing the bill, which will (continued on page 2)

* * *

A WARNING from Ira Schwartz: Many crowded youth detention/training centers "not far from blowing up." See page 3.

* * *

A NEW 'DECISION MEMORANDUM' shows Dorcas Hardy all but scrapped her review panel recommendations in picking the people to compete for $1.4 million in FY 83 discretionary prevention and early intervention R&D grants. The document obtained by CPR shows the chief of the Office of Human Development Services scratched 23 of the highest ranked pre-application proposals — including the top three — in selecting 34 to compete. Among those chosen was a proposal rated No. 249 by reviewers out of a total of 267. This means only 11 of the highest ranked proposals made it into the (continued on pg. 4)

Mockery of Review System?

NEW DOCUMENT SHOWS HARDY PICKED COMPETITORS VIRTUALLY AT RANDOM

William L. Howard, Editor & Publisher Karen Lane, Assistant Editor

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Hardy's Picks (continued from page 1)

competition -- far fewer than were chosen in the runaway and homeless youth intervention competition (CPR 6/3/83). For that go-round, Hardy and her executive staff allowed 29 of the top-ranked proposals to compete, scratching 14 others and replacing them with lower-rated proposals. "If there was any doubt about the runaway competition this second decision memo pretty well proves the mockery of the panel review system," one observer told CPR. "Those (panel) people are just wasting their time." An OHDS official countered that the overall competition for grants -- some 3,000 applications for 140 funded projects -- will show "the highest rated proposals had a better than 50 percent chance of being allowed to compete -- there are statistics to back it up."

JERRY REGIER'S ENCOURAGEMENT FACTOR

This is no consolation to Godfrey Ellis, an assistant professor at Oklahoma State University, whose No. 1 rated proposal was knocked out of the competition -- after he had spent hundreds of hours and thousands of dollars putting it together. What's more, Ellis says he was encouraged to enter the proposal by Jerry Regier, head of the OHDS Office for Families. "You have to ask yourself, why are they using reviewers? Are these things wired from the start? This is very upsetting to find we ranked No. 1 and have it come to nothing," he said. Ellis had proposed a project to learn how television influences the sexual attitudes and behavior of adolescents -- basic research that might shed light on ways to prevent unwanted pregnancies.

Equally frustrated is Susan Sweitzer of the Florence Crittendon Home, Inc of Silver Spring, Md., whose proposal was ranked No. 2 by the panels. "You put in a lot of time and energy and what good does it do?" she said. "It's just not fair." Sweitzer's proposal involved teaming up with Westinghouse, Inc., and also using many Crittendon volunteer women to guide adolescent girls at risk of becoming pregnant or already with a child. "We felt we had a pretty good approach with private industry and volunteers -- the whole thing," she said.

BEATEN BY A REWRITTEN PROPOSAL?

Phil Williams of the Florida State Health Program Office in Tallahassee, author of the scratched No. 3 ranked proposal (for preventing blindness and amputations in elderly diabetics) had an additional complaint. He said some of the people in his department were allowed to rewrite and resubmit their proposals when they didn't meet the strict criteria in the Dec. 7, 1982 Federal Register announcement, raising the possibility his proposal may have been beaten out by a rewritten one. On this score, Warren Master, deputy chief of OHDS' Administration for Children, Youth, and Families, acknowledged that upwards of 800 applications had disqualifying "technical deficiencies" that proposers were allowed to correct and resubmit. "Otherwise, we would have lost many innovative ideas," he said, adding that resubmitted proposals were rated "separately" from first-time submissions.

The lowest-ranked proposal (No. 249) allowed to compete was submitted by the Saunders B. Moon Community Action Association, Alexandria, Va. -- a project for counseling and training high risk youth. Next from the bottom qualifiers (No. 243) was Family Foods, Inc., of Evanston, Ill., with a project for "social and economic self-sufficiency in high risk populations." Three weeks ago, CPR sent a letter to HHS Secretary Margaret Heckler's aide for public affairs, Clair del Real, requesting Heckler's comment on Hardy's selection process. The only response so far has been a request from del Real's office for another copy of the letter. The first was received and then "misplaced."

ANOTHER LETTER FOR MS. DEL REAL

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LISTED BELOW are the 34 proposals ranked highest by review panels in OHDS' Priority Area 1.4 — showing the ones eliminated by Dorcas Hardy from the competition and the lower-rated proposals she allowed to compete. The asterisk denotes proposals given an administrative review by OHDS staff; others were subject to a competitive review before review panels. The 23 top-rated proposals cut by Hardy are denoted by the word "scratched."

AGENCY NAME	RANK ORDER
Oklahoma State Univ., Stillwater, Okla.	1 -- SCRATCHED
Florence Crittenton Home, Inc., Wash. D.C.	2 -- SCRATCHED
Health Program Office, Tallahassee, Fla.	3 -- SCRATCHED
Utah DSS, Salt Lake City, Utah	4
St. Augustine Ctr., Buffalo, NY	5
City of Keene, N.H.	6*
Phila. Child Guidance Clinic, Phila., Penn.	7 -- SCRATCHED
Univ. of TX - Med Branch, Galveston, Tex.	8
John F. Kennedy Inst., Baltimore, Md.	9*
Vanderbilt Univ., Nashville, Tenn.	10 -- SCRATCHED
Univ. of Pittsburgh, Pittsburgh, Penn.	11 -- SCRATCHED
Youth Service Center, Enid, Okla.	12 -- SCRATCHED
Bd. of Regents of the UW Sys., Milwaukee	13 -- SCRATCHED
Iowa Lutheran Hosp., Des Moines, Iowa	14 -- SCRATCHED
Rogue Valley Memorial Hosp. Medford, Ore.	15 -- SCRATCHED
Urban Indian Council, Inc., Portland, Ore.	16 -- SCRATCHED
Child & Youth Board, Machias, Maine	17
Robert W. Putsch, III, M.D., Seattle. Wash.	18 -- SCRATCHED
Dept. of MCH, Chapel Hill, N.C.	19
La Crosse Lutheran Hosp., La Crosse, Wisc.	20 -- SCRATCHED
Oregon Research Institute, Eugene, Ore.	21 -- SCRATCHED
Va. Commonwealth Univ., Richmond, Va.	22
Jennifer McKenzie/Jane Flynn, Madison, Wisc.	23 -- SCRATCHED
Focus Hope, Detroit, Mich.	24 -- SCRATCHED
Grand Rapids Inter-Tribal, Gr. Rapids, Mich.	25 -- SCRATCHED
William C. Adamson,. M.D., Phila., Penn.	26 -- SCRATCHED
Portland State Univ., Portland, Ore.	27
Girls Clubs of America, NY, N.Y.	28
Macon Co. District Court, Tuskegee, Ala.	29 -- SCRATCHED
American Humane Assn., Denver, Colo.	30 -- SCRATCHED
NYC Youth Board, NYC, N.Y.	31 -- SCRATCHED
Amherst H. Wilder Fndn., St. Paul, Minn.	32 -- SCRATCHED
Camp Fire, Inc., Kansas City, Mo.	33
Metro-Dade County, Miami, Fla.	34 -- SCRATCHED
Co. of San Diego, San Diego, Calif.	46
Midwest Conference Ministries, Barrington, Ill.	49
Dr. Frank Riessman, New York, N.Y.	61*
Family Service Assn., Boston, Mass.	77*
Nat'l. Home Caring Council, NYC, N.Y.	86
Trenton Bd. of Ed., Trenton, N.J.	91
Univ. Of Nebraska, Omaha, Ne.	100
Morehouse College, Atlanta, Ga.	107*
Youth Emergency Service, St. Louis, Mo.	111
N. Dak. DHS, Bismarck, N.D.	117
Indianapolis Public Schools, Ind., IN	130
Council of Jewish Org., Brooklyn, N.Y.	140
Ctr. for Family Health, Wash. D.C.	157
Univ. of Okla, Health, Okla. City, Okla.	158
Riverside Adventist Hosp., Nashville, Tenn.	163
Tuskegee Area Health Ctr., Tuskegee, Ala.	175
NYC Health & Hosp. Corp., NYC, N.Y.	201
COSSMHO, Wash., D.C.	211
NYC Voluntary Action Corp., NYC, N.Y.	213
Indianapolis Urban League, Ind., IN	218
The Curators of The Univ., Columbia, Mo.	233
Family Focus, Inc., Evanston, Ill.	243
Saunders B. Moon Comm. Action, Alex., Va.	249

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1301 20th St. N.W. Washington, D.C. 20036 Tel. (202) 785-4055

Vol. IX, Nos. 16-17

August 26, 1983

Dear Colleague:

WITH THE BLESSINGS of Dorcas Hardy -- in the form of a newly awarded grant and fund transfers totalling $374,849 -- Edward M. Young, one of her former associates, is now in business for himself as head of the recently launched Center for Health and Social Services Research in Pasadena, Calif. Young formerly was director of the Center for Health Services Research, a unit of the University of Southern California's School of Medicine where Hardy served as associate director from 1974 until being appointed assistant secretary in charge of HHS' Office of Human Development Services in March 1981. Last year, Hardy signed off on three OHDS grants to the USC center totalling $473,158 (CPRs 10/25/82, 1/14/83).

No Cost-Sharing, Yet

HARDY HELPS FORMER ASSOCIATE LAUNCH A NEW RESEARCH CENTER WITH $374,849

As of May 1 of this year, Hardy agreed to let Young take $199,316 in unobligated balances from the three grants to his new center. She also tossed in a grant for $175,533 -- an add-on to one of (cont'd on pg. 6)

* * *

HERITAGE FOUNDATION 'HATCHET JOB' hits Act Together, Inc., with a dull blade. See page 3.

* * *

TOP JOBS ARE BEING RESHUFFLED at the Office of Juvenile Justice and Delinquency Prevention by Administrator Alfred S. Regnery -- starting with his deputy, John Winkfield, who left the agency this week for unexplained reasons. Winkfield, one of the top-ranked blacks in the Justice Department when he went aboard OJJDP about eight months ago, has moved to ACTION. Contacted by CPR, Winkfield had "no comment" on the move. Insiders say he had become disenchanted with Regnery's policies over the past three months. No replacement has been named.

Reshuffle at OJJDP

WINKFIELD OUT AS REGNERY'S DEPUTY; RESEARCH JOB TO BE POLITICAL APPOINTEE

James "Buddy" Howell, acting director of OJJDP's research arm, the National Institute of Juvenile Justice and Delinquency Prevention, has been dropped back to the No. 2 deputy position, reportedly to open up the director's job to a Schedule C political appointee, Vermont McKinney has been replaced as supervisor of special emphasis delinquency prevention programs by a law 'n order type, Robert Heck.

William T. Howard, Editor & Publisher Karen Lane, Assistant Editor

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Hardy's Helping Hand (continued from page 1)

the previous grants. Young incorporated his new center as a "nonprofit public benefit corporation organized for charitable purposes" on Jan. 25, 1983. He then swung the deal as principal investigator of the USC grants to bring them with him. OHDS grants administration regulations allow grants to follow the principal investigator, or project director, when they relocate to another institution. What is unusual about Young's move is that it is to a newly created institution which Young says is "entirely dependent" on federal grants and contracts for its funding. Accordingly, Young does not want to put up any cost-sharing money or resources as required under the OHDS grants administration regulations.

CENTER A FEDERAL GRANT CREATURE

He has requested that a 5 percent cost-sharing levy attached to the $175,533 new grant be waived by OHDS, since other federal monies can not be used for this purpose. The issue is still in dispute. OHDS is not requiring any cost sharing on the transfer grants -- apparently allowing for whatever was contributed previously by USC.

Two of the grants support projects involving state and county social services management information systems. One of them, funded originally at $79,205, is for development of a manual that social services managers can use to "self-assess" their need and the means for installing automated information systems. This grant received the $175,533 add-on, according to documents viewed by CPR under the Freedom of Information Act. Data Management Associates, a New York State firm which has had a long association with Gregory Coler, head of Illinois' Department of Children and Family Services, in creating his computerized child abuse central registry and hotline system. Coler is on friendly terms with Hardy. From the original grant, Young received an unobligated balance of $28,445.

SUBCONTRACTORS IN ON THE ACTION

The second MIS grant -- for $149,031 -- was to prepare a status report on how states are proceeding with the development of information systems and how they fit into OHDS' information collection "strategy." The unobligated balance that went to Young was $28,260. The third grant -- for $244,927 -- was for researching and writing a handbook that states can use to evaluate cost and outcomes of "alternative" child foster care placements. Maximus, Inc., a McLean, Va. firm that does other work for OHDS holds a $121,277 subcontract on this grant. The unobligated balance picked up by Young was $142,611. The total outlay by Hardy for these grants, including the new one for $175,533, comes to $648,696 and makes Young by far the biggest single beneficiary of the FY 82 OHDS discretionary R&D program.

Proposals for the original grants were competed before review panels with Hardy making the final selections. That Hardy has been so generous in setting up a former associate in business raises questions of favoritism, if not conflict of interest. In response, Young says: "Sure its more than coincidence the fact that Dorcas Hardy happens to be interested in the use of information systems to improve management. We have a lot of expertise here in information systems to improve management. That's obviously more than coincidental. Dorcas got a lot of her interest and expertise working here and obviously we have the same interest. But just because she is interested in information systems doesn't mean we have to deny our interest in them." Hardy declined to comment on the question of possible favoritism.

FAVORITISM OR MUTUAL 'INTEREST?'

IN BRIEF . . . Both HHS Secretary Margaret Heckler and Dorcas Hardy, Office of Human Development Services chief, are scheduled to speak at the Sixth National Conference on Child Abuse and Neglect in Baltimore September 25-28 . . . Bill Treanor, founder of the National Youth Work Alliance, is filling his old post as executive director on an interim basis until a new director is appointed . . . NYWA is expected to pick up a $200,000 OHDS grant for training runaway youth programs in fundraising . . . The number of new runaway programs being funded by OHDS, incidentally, is expected to be 69 -- not 30 as reported previously in CPR . . . Apparently as part of the gearing up for President Reagan's expected bid for reelection, John A. Svahn, HHS under secretary and head of Social Security Administration, has moved over to the White House as assistant to the president for policy development. Tom Donnelly, HHS assistant secretary for legislation, has joined the White House legislative affairs office. He's a former Washington PR man . . . The Oregon Youth Work Alliance is closing shop next month after having won some notable court battles to remove children from jails . . . Chuckle of the Week: Dorcas Hardy has circulated a memo to OHDS personnel telling them to refer all press inquiries to Enid Borden, her public affairs director. The memo omits Borden's phone number.

* * *

UPCOMING . . . September 27, West Hartford, CT, Treatment for Adult Survivors of Child Sexual Abuse; November 17, West Hartford, CT, The State-of-the-Art in Child Sexual Abuse Intervention, sponsored by St. Joseph College. For further information contact Sister Marjorie Fallon, Administrator, St. Joseph College Institute for the Treatment and Control of Child Sexual Abuse, West Hartford, CT 06117; (203) 232-4571, ext. 217 . . . September 29-30, Tucson, AZ, SEXUAL ASSAULT: Rape, Incest, and Child Molestation; October 24-25, Walt Disney World, FL, The Male Victim of Sexual Assault and the Juvenile Sexual Offender: Neglected Clients, both sponsored by Forensic Mental Health Associates. Contact H. Jean Birnbaum, FMHA, 3 Ireland Rd., Newton Center, MA 02159; (617) 332-0220 . . . October 16-28, Reno, NV, Fall College; October 23-28, Reno, NV, Judicial Concerns: Issues In Family Law, both courses conducted by the National College of Juvenile Justice, education division of NCJFCJ. Contact Dean Louis W. McHardy, National College of Juvenile Justice, P.O. Box 8978, UNR, Reno, NV 89507; (702) 784-6012 . . . October 20-22, San Antonio, TX, The Roger J. Williams National Conference on Nutrition and Behavior sponsored by the American Institute for Learning and the Texas Council on Crime and Delinquency. Additional information available from the American Institute for Learning, 1159 Navasota, Austin, TX 78702; (512) 472-8220 or 451-8425 . . . October 28, Miami, FL, and November 28-29, Hartford, CT, Media Access Conferences for Child and Family Resource Organizations, cosponsored by the Family Resource Coalition, Public Interest Communication Services, Inc., and the National Committee for the Prevention of Child Abuse. For more information contact the Family Resource Coalition, 230 N. Michigan Ave., Suite 1625, Chicago, IL 60601; (312) 726-4750 . . . November 30-December 1, St. Paul, MN, Family Violence in the Deaf Community, cosponsored by The National Academy of Gallaudet College and the Mental Health Hearing Impaired Program of the St. Paul-Ramsey Medical Center. For registration information contact Ruth McIntyre, Continuing Medical Education, St. Paul-Ramsey Medical Center, 640 Jackson St., St. Paul, MN 55101; (612) 221-3992; in Washington, D.C. contact Connie H. Knight, Gallaudet College, Kendall Green, Washington, D.C. 20002; (202) 651-5480 . . . April 26-28, 1984, Arlington, VA, The Third National Conference on Sexual Victimization of Children, sponsored by the Division of Child Protection, Children's Hospital National Medical Center. For further information contact: Conference Coordinator, Children's Hospital, Division of Child Protection, 111 Michigan Avenue, N.W., Washington, D.C. 20010; (202) 745-5682.

Child Protection report

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1301 20th St. N.W. Washington, D.C. 20036 Tel. (202) 785-4055

Vol. IX, No. 18

September 9, 1983

Dear Colleague:

CPR HAS LEARNED that Dorcas Hardy applied $154,351 in FY 82 Head Start discretionary funds to a grant awarded the Rand Corp. for a study of how user fees being imposed by local governments to raise revenue affect the poor and elderly. The study has no application to the Head Start program, according to Rand Corp. staff working on the project. This use of Head Start funds by Hardy, head of HHS' Office of Human Development Services, is illegal in the opinion of Gordon Raley, staff director of the House Human Resources subcommittee which oversees the Head Start program. He said Head Start support for a study of user fees was "improper and unconscionable and shows ill intent" on Hardy's part.

CPR Investigation Finds . . .

DORCAS HARDY ILLEGALLY APPLIED HEAD START FUNDS TO RAND CORP. STUDY OF LOCAL USER FEES

Documents obtained by CPR under the Freedom of Information Act show OHDS' Office of Program Development attempted to disguise the fact that Head Start funds were applied to the grant issued last fall. When CPR requested the Notice of Financial Assistance Awarded document on the Rand Corp. grant, officials, at first, provided an amended document (continued on page 2)

* * *

IN A MOVE APPARENTLY AIMED at avoiding more political embarassments, Attorney General William French Smith has applied a new checkrein on Alfred S. Regnery, free-wheeling chief of the Office of Juvenile Justice and Delinquency Prevention. In an order dated July 15, Smith delegated his authority to pass on OJJDP's policies and programs to Lois Herrington, the new assistant attorney general in charge of the Office of Justice Assistance, Research, and Statistics (OJARS). The authority also covers other OJARS programs but appears directed primarily at Regnery and his controversial administration of the JJDP Act.

$14 Million Unspent

SMITH LAYS NEW CHECKREIN ON REGNERY'S POLICIES; MORE 'EMBARASSMENTS' FEARED

The order may have been prompted by a Government Accounting Office investigation — launched earlier in the summer — of several questionable sole-source contracts issued by Regnery this year. Herrington, a former juvenile counselor, probation officer, and prosecutor in California, is well grounded in the juvenile justice field. She is known to be concerned about Regnery's plans for soft-pedaling delinquency prevention (cont'd on page 3)

William E. Howard, Editor & Publisher Karen Lane, Assistant Editor

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Illegal Use of Head Start Funds (continued from page 1)

dated Jan. 5, 1983, which said the $241,838 project was supported 64 percent by the Administration for Children, Youth, and Families (ACYF) and 36 percent by the Office of Program Development. Later,

CODE REVEALS TRUE FUNDING SOURCE

CPR procured the original Notice of Financial Assistance Awarded dated Sept. 29, 1982. This document bears the OHDS code for the Head Start program -- **J-40** -- showing that it supplied $154,351 to the Rand Corp. project. Head Start is under ACYF. CPR was not able to learn why or who altered the funding source on the amended document. Informed sources said the decision to apply Head Start money to the project was made at a closed meeting of Hardy and her executive staff and executed on a computer printout. Thus, there is no "paper trail" how Hardy comingles funds from various accounts for her discretionary R&D program.

Hardy has very little money under her direct control to fund pet projects. Therefore, sources say, she is obliged to take -- or force -- agencies under OHDS to use their categorical funds to cover the cost of projects which may have no substantive activities or content that would justify the use of the particular program's funds. The Rand Corp. project is regarded as a prime example. Hardy and other OHDS officials did not make themselves available for comment on the legality of the project's funding before CPR went to press.

James Stucker, a leader of the Rand user fee project, said the aim of the study was to explore whether there were "ways of stretching user fees that are better in an equity sense than other ways." The work involves a

HEAD START APPLICATIONS: 'NONE'

100-community survey of "what's new and different in the way of user fees and new and different in equity protection for the disadvantaged," he said. Rand also is studying user fees in Los Angeles county and has a "large effort" underway in St. Paul, Minn., which also includes "several contracts with and for St. Paul." The OHDS project calls for reporting and disseminating the study's findings among local governments.

Asked by CPR if there were any applications in the study to the Head Start program, Stucker replied: "There are none so far as we know and I certainly had not heard that there was any Head Start money in this."

Federal law allocates 13 percent of Head Start's $1 billion annual appropriation to a discretionary account for training and technical assistance, special Head Start programs, and research in behalf of the program. There

RALEY PROMISES PROBE OF CASE

are no limitations on how the research money is to be spent -- and Hardy apparently has taken advantage of this fact, according to Raley, in using the money for non-Head Start purposes. "The law doesn't specifically prohibit funding a user fee study," he said, "but neither does it prohibit using Head Start funds to buy a jet fighter. Obviously, the intent of the law is to spend discretionary funds to benefit Head Start, and that hasn't happened in this case. The subcommittee will look into it."

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CORRECTION . . . In the August 26 issue of CPR, a line was dropped from the story about Edward M. Young, a former associate of Dorcas Hardy, receiving OHDS funds to start up a new research center in Pasadena, Calif. The dropped line was in the fifth paragraph, and should have read:

Young has subcontracted $66,000 of the work to Alfred J. Di Bernardo's Data Management Associates, a New York state firm which has a long association with Gregory Coler, head of Illinois' Dept. of Children and Family Services, in creating his computerized child abuse registry and hotline system. Coler is on friendly terms with Hardy. From the original grant, Young received an unobligated balance of $28,445.

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1301 20th St. N.W. Washington, D.C. 20036 Tel. (202) 785-4055

Vol. IX, No. 20

October 11, 1983

Dear Colleague:

AN INVESTIGATION IS BEING OPENED by the General Accounting Office into possible favoritism and conflict of interest in the award of discretionary R&D grants by Dorcas Hardy, head of HHS' Office of Human Development Services. The probe was requested last week by Rep. Ike Andrews (D-N.C.), chairman of the House Human Resources Subcommittee, on the basis of recent articles in Child Protection Report and the Washington Post. Cited by Andrews were CPR's stories on Hardy's grants to her former boss, Edward M. Young, which enabled him to open his own research center in Pasadena, Calif., and CPR's investigative report of how Head Start funds were spent on a Rand Corp. project which had no Head Start program applications.

At Andrew's Request

GAO PROBING POSSIBLE FAVORITISM, CONFLICTS IN DISCRETIONARY PROJECTS AWARDED BY HARDY

The Washington Post article, an elaboration on previous CPR stories how Hardy has disregarded the ratings of review panels in the grants process, reported that of all pre-application concept papers rated in the top 25 percent, only half were allowed to compete for FY 83 funds. (Cont'd on p. 6)

* * *

REGNERY PICKS WOUTON, $245-a-day consultant, to be his deputy administrator of OJJDP. See page 5.

* * *

IN UPPING FY 84 FUNDING for the Head Start program, Congress may be handing the Reagan Administration an election year "pork barrel." That's the interpretation critics are giving an Office of Human Development Services announcement in the Sept. 28 Federal Register requesting proposals to carry out a expansion of the program. In a major change from past practice, all of the additional money for new projects is to be awarded on a competitive basis -- using review panels again -- at the discretion of OHDS Chief Dorcas Hardy. Where the plan acquires a "pork barrel" tinge is in the timing. Applications are due December 16. The awards will be made next spring -- just when President Reagan's expected campaign for reelection will be rolling into high gear. (Cont'd on page 2)

A Matter of Timing

WILL AWARD OF $80 MILLION IN HEAD START PROJECTS BECOME AN ELECTION YEAR 'PORK BARREL' FOR REAGAN?

William E. Howard, Editor & Publisher Karen Lane, Assistant Editor

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GAO Grant Probe (continued from page 1)

Andrews said the selection -- and subsequent funding -- of low-rated proposals was "in direct contradiction" to assurances Hardy had made in a March 25, 1982 letter to his subcommittee. Referring to the processing of FY 82 discretionary grants, Hardy said in the letter that after review panels had rated pre-applications, "the HDS executive staff will select those which are highly rated to submit a full formal application" to be reviewed administratively. How that worked out in practice isn't known because records of the FY 82 grants process have not been disclosed. But, at the least, it indicates Hardy made a major policy change in the FY 83 awards that diminished the importance of review panel ratings.

HARDY'S 'DIRECT CONTRADICTION'

In regard to CPR's reports of Hardy's award of a total of $648,696 in FY 82 funds to Edward Young, making him the largest single recipient that year, Andrews said they "raised the issue of favoritism and possibly conflict of interest." Andrews noted that Hardy had been associate director of the Center for Health Services Research, a unit of the University of Southern California School of Medicine headed by Young, prior to joining the Reagan Administration in March, 1981. She awarded three grants totaling $473,158 to Young as head of the Center, then allowed him to carry about $200,000 of these grants -- plus an additional award of $175,533 -- with him when Young created his own Center for Health and Social Services Research earlier this year (CPRs 8/26/83, 1/14/83, 10/25/82).

"In sum, the allegations which have been reported are serious and lead me to believe that a thorough investigation of the combined discretionary fund of OHDS is in order," Andrews said in a letter to Comptroller General Charles A. Bowsher. "Certainly it is to the advantage of the administrators of OHDS to have these allegations officially disproved, if indeed, they are without foundation." The letter poses several questions for GAO investigators:

OUTLINE OF INVESTIGATION

Have FY 82 and 83 discretionary fund programs been administered "in accordance with specific authorities of each individual program," have the funds been spent for the "legislatively established purposes" of these programs, are Hardy's grant-making decisions "consistent with the law, HHS policies and regulations, and good practice," and "is there any evidence of impropriety on the part of the Assistant Secretary and/or OHDS executive staff in the selection of grantees with regard to favoritism both personal and political, or conflict of interest?"

Hardy has not commented on either the use of Head Start funds for the Rand Corp. study of user fees by local governments to raise revenue (CPR 9/9/83) or possible favoritism in the awards to Young. However, through spokesmen, she has defended her grantee selection process as intended to shake up the "old guard" and bring in more "community-based programs" and researchers not on the "good ol' boy" network, according to the Washington Post. She also claims politics are not a factor in selecting grantees.

OHDS officials contend that applications scored by reviewers in the highest 25th percentile had a 600 percent higher probability of being selected than those in the lowest 25th percentile. This sounds impressive, except that only a handful of proposals were in the lower 25th. A followup on grants awarded in the prevention and early intervention Priority Area 1.4 (see page opposite) shows that only 7 agencies scoring in the top 25th percentile were funded. They were rank ordered No. 61 and above. The lowest ranked proposer funded (No. 243) had a (cont'd next page)

MORE LOW-RANKED PROPOSERS ARE FUNDED

(continued from preceding page)

score of 44.3% while all of those scratched had scores of 79% or higher. The five lowest ranked that were funded got about half of all the money awarded in the priority area by Hardy. Agencies which received administrative reviews of their full proposals are denoted by asterisks.

AGENCY NAME	REVIEW RANK ORDER	FUNDED AT
Oklahoma State Univ., Stillwater, Okla.	1 -- SCRATCHED	
Florence Crittenton Home, Inc., Wash. D.C.	2 -- SCRATCHED	
Health Program Office, Tallahassee, Fla.	3 -- SCRATCHED	
Utah DSS, Salt Lake City, Utah	4	$ 70,714
St. Augustine Ctr., Buffalo, NY	5	-- 0 --
City of Keene, N.H.	6*	27,925
Phila. Child Guidance Clinic, Phila., Penn.	7 -- SCRATCHED	
Univ. of TX - Med Branch, Galveston, Tex.	8	-- 0 --
John F. Kennedy Inst., Baltimore, Md.	9*	50,803
Vanderbilt Univ., Nashville, Tenn.	10 -- SCRATCHED	
Univ. of Pittsburgh, Pittsburgh, Penn.	11 -- SCRATCHED	
Youth Service Center, Enid, Okla.	12 -- SCRATCHED	
Bd. of Regents of the UW Sys., Milwaukee	13 -- SCRATCHED	
Iowa Lutheran Hosp., Des Moines, Iowa	14 -- SCRATCHED	
Rogue Valley Memorial Hosp. Medford, Ore.	15 -- SCRATCHED	
Urban Indian Council, Inc., Portland, Ore.	16 -- SCRATCHED	
Child & Youth Board, Machias, Maine	17	
Robert W. Putsch, III, M.D., Seattle, Wash.	18 -- SCRATCHED	-- 0 --
Dept. of MCH, Chapel Hill, N.C.	19	99,996
La Crosse Lutheran Hosp., La Crosse, Wisc.	20 -- SCRATCHED	
Oregon Research Institute, Eugene, Ore.	21 -- SCRATCHED	
Va. Commonwealth Univ., Richmond, Va.	22	-- 0 --
Jennifer McKenzie/Jems Flynn, Madison, Wisc.	23 -- SCRATCHED	
Focus Hope, Detroit, Mich.	24 -- SCRATCHED	
Grand Rapids Inter-Tribal, Gr. Rapids, Mich.	25 -- SCRATCHED	
William C. Adamson,. M.D., Phila., Penn.	26 -- SCRATCHED	
Portland State Univ., Portland, Ore.	27	
Girls Clubs of America, NY, N.Y.	28	-- 0 --
Macon Co. District Court, Tuskegee, Ala.	29 -- SCRATCHED	-- 0 --
American Humane Assn., Denver, Colo.	30 -- SCRATCHED	
NYC Youth Board, NYC, N.Y.	31 -- SCRATCHED	
Amherst H. Wilder Fndn., St. Paul, Minn.	32 -- SCRATCHED	
Camp Fire, Inc., Kansas City, Mo.	33	-- 0 --
Metro-Dade County, Miami, Fla.	34 -- SCRATCHED	
Co. of San Diego, San Diego, Calif.	46	$ 83,705
Midwest Conference Ministries, Barrington, Ill.	49	110,726
Dr. Frank Riessman, New York, N.Y.[1]	61*	68,999
Family Service Assn., Boston, Mass.	77*	--0--
Nat'l. Home Caring Council, NYC, N.Y.	86	-- 0 --
Trenton Bd. of Ed., Trenton, N.J.	91	-- 0 --
Univ. Of Nebraska, Omaha, Ne.	100	-- 0 --
Morehouse College, Atlanta, Ga.	107*	81,643
Youth Emergency Service, St. Louis, Mo.	111	50,124
N. Dak. DHS, Bismarck, N.D.	117	-- 0 --
Indianapolis Public Schools, Ind., IN	130	135,851
Council of Jewish Org., Brooklyn, N.Y.	140	-- 0 --
Ctr. for Family Health, Wash. D.C.	157	-- 0 --
Univ. of Okla, Health, Okla. City, Okla.	158	-- 0 --
Riverside Adventist Hosp., Nashville, Tenn.	163	-- 0 --
Tuskegee Area Health Ctr., Tuskegee, Ala.	175	-- 0 --
NYC Health & Hosp. Corp., NYC, N.Y.	201	-- 0 --
COS/MHD, Wash., D.C.	211	100,000
NYC Voluntary Action Corp., NYC, N.Y.	213	-- 0 --
Indianapolis Urban League, Ind., IN	218	-- 0 --
The Curators of The Univ., Columbia, Mo.	233	-- 0 --
Family Focus, Inc., Evanston, Ill.	243	100,000
Saunders B. Moon Comm. Action, Alex., Va.	249	-- 0 --
	TOTAL	$940,486

[1] City University of N.Y. New Careers program

Child Protection report

THE INDEPENDENT NEWSLETTER COVERING CHILDREN/YOUTH HEALTH AND WELFARE SERVICES
1301 20th St. N.W. Washington, D.C. 20036 Tel. (202) 785-4055

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December 2, 1983

Dear Colleague:

MORE EVIDENCE OF RAMPANT MISMANAGEMENT in HHS' Office of Human Development Services discretionary grants program is being laid upon Dorcas Hardy's doorstep -- this time by HHS Inspector General Richard P. Kusserow. In a new report covering procedures in effect in 1982, the IG etches a broad picture of how Hardy has ignored the recommendations of panel reviewers in awarding grants, used grants and cooperative agreements where contracts would have been "more appropriate," issued non-competitive grants, and allowed slipshod monitoring of grant projects by program officials -- including infrequent or no site visits. The review covers selected programs in the Administration for Children, Youth, and Families, Administration on Aging, and the Administration on Developmental Disabilities. All the programs where "weaknesses" were identified are in addition to charges of favoritism now being investigated by the General Accounting Office (CPR 10/11/83) on the basis of CPR articles published earlier this year.

Tripping to Egypt

IG REPORT DOCUMENTS WIDESPREAD GRANT PROGRAM MISMANAGEMENT IN OHDS, FAULTS HARDY'S AWARDS

(continued on page 4)

* * *

THE WASHINGTON CONSULTING GROUP, Inc., owned by Armando C. Chapelli, is the new 8-A contractor servicing the juvenile justice National Advisory Committee and the federal Coordinating Council on Juvenile Justice and Delinquency Prevention. Office of Juvenile Justice and Delinquency Prevention Administrator Alfred S. Regnery awarded the firm a $60,000 contract, then added a $700,000 supplement. Chapelli says besides supporting the NAC and the Council, the contract calls for performing 13 other tasks covering "every aspect" of OJJDP's program. Among the tasks, he said, are the review of juvenile justice research papers, staging of conferences, providing technical assistance to Regnery and his staff, and writing the annual report to the president on the status of the OJJDP program.

$760,000 OJJDP CONTRACT TO SUPPORT NAC, COUNCIL GOES TO WASHINGTON 8-A COMPANY

Chapelli, who said he personally has no experience in juvenile justice, has hired four professionals who are "experts in the field." One of them is Charles Murray of MIT. On tap for the firm are meetings of the NAC December 9 in New Orleans and the Council December 14 in Washington. Chapelli said transcripts will be made available of the NAC session. Contact the firm at 1625 I St., N.W., Washington, D.C. 20006; (202) 457-0233.

William E. Howard, Editor & Publisher Karen Lane, Assistant Editor

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IG Report Faults Hardy (continued from page 1)

Findings by the IG show that Hardy, HDS assistant secretary in charge of HDS, violated HHS rules in its Grants Administration Manual by failing to explain why she deviated from the recommendations of advisory panels. According to the manual such deviations must be justified in writing. In addition, the IG report says, Hardy "frequently" did not incorporate the recommendations of reviewers for strengthening grant applications "until after the awards are made." The rules say such changes must be made before the grant is issued.

GRANT RULES VIOLATED, IG CHARGES

The IG report does not cite the names of grantees or dates of awards, but it does give illustrations. For example, it says an ACYF award for $160,172 for the first year of a three-year project to promote accreditation of agencies serving children and families received a generally negative panel review. A recommendation by the panel that an outside evaluation of the agency be made a condition of the award was ignored "and an evaluation was not obtained."

A decision by Hardy two years ago to curtail project site visits by her program officers (CPR 9/28/81) has come back to haunt her with a vengence in the IG report. The HDS staff manual states that site visits should be made at least annually to all grantees with priority given to "high risk" projects -- those encountering problems or new grantees. The IG found one instance in which an HDS grantee "in Egypt was visited eight times in three years" by various program officials at a cost of $20,000 although there was "no evidence" the project had problems. "Officials of the same program, however, did not visit one domestic recipient although progress reports indicated the grantee was encountering serious problems; the project was eventually terminated," the report says.

$20,000 FOR TRIPS ABROAD, NOTHING FOR METRO

What's more, the IG found "other program and grants management officials did not visit recipients in Washington's metropolitan area although problems were apparent." One local project, for example, fell behind schedule but was never visited during the entire 15-month award period. Why this happened, the IG doesn't say. Could it have been Hardy wouldn't part with a Metro fare or a $2.50 cab ride?

Hardy's reputation as an astute financial management consultant (ex-Harvard Business School) suffers in other parts of the report. The IG says the lack of project monitoring on the part of Hardy's staff "may have adversely affected the performance of recipients receiving $10.4 million in awards and resulted in the continuation of non-productive projects." About 65 percent of the files reviewed by the IG contained no evidence that grantee performance reports were reviewed "or that an attempt was made to coordinate the project officer's review of performance reports with grants officer's review of financial reports."

$10.4 MILLION IN PROJECTS 'ADVERSELY AFFECTED'

Inadequate monitoring of Administration on Developmental Disabilities grants was cited several times. In one case a project officer allowed the grantee to submit a final report 7 months late and then termed it "useless" because it was "bulky and too cumbersome for effective utilization." In another case, an ADD project officer did not know if a grantee had completed required tasks two years after the completion date. (continued on next page)

IG Report Faults Hardy (continued from page 4)

Failure to close out grants in a timely manner was common. The IG reported "439 of 476 grants which had reached their expiration date remained open; about 300 of them had been completed for a year." This was attributed to the "low priority" given by the grants management office to close-outs, although HHS regulations require submission of final financial and performance reports within 90 days of the project completion date.

By implication, the IG's findings criticize the performance of Richard Shute, chief of OHDS' Office of Program Development, which manages the grant program, and James Kisko who as special assistant to Hardy's deputy keeps an eye on the entire process. Shute's OPD also is taken to task in a particular incident involving a $320,000 one-year cooperative agreement which was allowed to expire because of unsatisfactory performance. The IG found that OPD had neglected to "fulfill its commitment" to provide the grantee with needed technical assistance. Accordingly, the report says "we believe that had OPD maintained its commitment throughout the grant period, the project could have been more successful or at least curtailed much sooner at a savings of $224,000."

REWARDS -- FOR MISMANAGEMENT?

People around OHDS are peeved by the fact that such mismanagement has been rewarded. Earlier this year, Hardy gave Kisco a "distinguished service award" of $5,000. The citation says it was for "exceptional performance in implementing HDS policy to effect measureable cost savings." She also gave Shute an award of $7,010 for "outstanding performance in 1982." There's even more irony in Hardy's bestowal of these awards. The IG's report says "HDS officials generally concurred with our findings" of mismanagement -- which presumably includes Shute, Kisco, and Hardy.

* * *

REVISED FEDERAL ALLOTMENTS to states under the FY 84 Social Services Block Grant have been issued by the Office of Human Development Services (see below). The two sets of tables reflect a $25 million difference between the amount authorized and the $2.675 billion which Congress has actually appropriated. OHDS says allotments are being made according to Column 2, and are effective as of October 1, 1983. Presumably, if Congress antes up the other $25 million in a supplemental appropriation next year, the allocations in Column 1 will be used.

State	Column 1 — Authorization level Pub. L. 98-139	Column 2 — Appropriation level Pub. L. 98-139
Total	$2,700,000,000	$2,675,000,000
Alabama	45,864,287	45,439,617
Alaska	4,824,122	4,779,456
Arizona	32,715,041	32,412,124
Arkansas	26,863,842	26,615,017
California	283,311,781	280,686,534
Colorado	34,717,267	34,395,630
Connecticut	38,586,114	38,228,329
Delaware	7,902,003	8,537,179
District of Columbia	7,385,401	7,316,880
Florida	116,233,065	115,129,986
Georgia	65,266,137	64,661,841
Guam	493,517	481,297
Hawaii	11,486,162	11,380,208
Idaho	11,225,854	11,124,692
Illinois	134,758,951	132,956,275
Indiana	64,071,000	63,432,178
Iowa	33,944,481	33,630,189
Kansas	27,952,528	27,644,271
Kentucky	42,578,462	42,461,480
Louisiana	50,442,520	49,975,458
Maine	13,256,185	13,143,499
Maryland	48,615,613	48,452,431
Massachusetts	67,185,255	66,870,304
Michigan	107,784,850	106,772,886
Minnesota	47,835,189	47,492,827
Mississippi	29,631,985	29,351,182
Missouri	57,954,330	57,318,600
Montana	9,265,284	9,180,288
Nebraska	18,465,146	18,294,173
Nevada	9,884,134	9,802,521
New Hampshire	10,950,858	10,848,178
New Jersey	88,980,988	88,980,988
New Mexico	15,548,507	15,405,819
New York	208,102,618	204,194,284
North Carolina	68,703,868	68,058,474
North Dakota	7,784,548	7,633,207
No. Mariana Islands	88,104	82,241
Ohio	126,220,087	125,066,252
Oklahoma	36,296,099	35,951,914
Oregon	31,540,848	30,753,236
Pennsylvania	138,997,845	137,710,885
Puerto Rico	13,965,517	13,836,207
Rhode Island	11,156,710	11,053,388
South Carolina	37,982,512	36,730,150
South Dakota	9,032,397	7,956,023
Tennessee	54,002,088	53,502,847
Texas	172,995,588	171,394,713
Utah	17,774,314	17,609,737
Vermont	6,041,962	5,985,918
Virgin Islands	465,517	461,207
Virginia	63,560,058	62,961,352
Washington	49,376,987	48,919,608
West Virginia	22,814,038	22,644,488
Wisconsin	55,124,241	55,010,127
Wyoming	5,760,848	5,707,504

DECEMBER 6 IS DEADLINE FOR

The October 18 *Federal Register* announces and describes the availability of funds for FY 1984 grants from the Office of Human Development Services and solicits preapplications by December 6, 1983. This is the coordinated discretionary grants process which consolidates in one joint announcement and review procedure the research, demonstration, training, evaluation and other grant agreements from several programs uner the jurisdiction of the Office of Human Development Services:

Funding Summary

Program	Estimated Availability of FY 1984 Funds
Administration on Aging	$ 5,500,000
ACYF/Child Abuse and Neglect	7,000,000
ACYF/Adoption Opportunities	1,500,000
ACYF/Child Welfare	5,000,000
ACYF/Runaway Youth	3,800,000
ACYF/Head Start	2,500,000
Administration on Developmental Disabilities	1,500,000
Administration for Native Americans	700,000
HDA/Social Services Research	2,000,000
Total	29,500,000

OHDS expects to award $29,500,000 in the third and fourth quarters of FY 1984 and the first and second quarters of FY 1985. The announcement solicits preapplications from "State, public or non-profit organizations or agencies." For-profit organizations are eligible to apply for projects funded under authority of the Head Start Act, Native American Programs Act, in limited cases, the Older Americans Act. It also solicits preapplications from State Social Service Agencies for grants to undertake measurable improvements in programs to place special needs children in adoptive homes. OHDS may publish additional program specific announcements in FY 1984 to incorporate individual program priorities. A subsequent announcement may be published amending priorities for Child Abuse and Neglect grants if changes are required as a result of the public comments on the August 29 proposed priorities for which the comment period closes October 28th (see September 1983 PLANNING NOTES).

Preapplications

Preapplications must be submitted on forms and according to instructions printed in the October 18, 1983 *Federal Register*. The information contact for this grant program is: HDS/Division of Research and Demonstration, 200 Independence Avenue S.W., Room 732E, Washington, D.C. 20201, telephone (202) 245-6235. Preapplications must be designated for one priority area only, although applicants may submit more than one preapplication.

The Assistant Secretary for Human Development Services and her Executive Staff will decide (after consulting with review panels and State and regional officials) which preapplicants will be asked to submit full applications.

Number and Amount of Awards

OHDS expects to make approximately 200 new awards as a result of applications submitted in response to this solicitation. These awards are expected to range from $50,000 to a maximum of $150,000 per year, with the average award expected to be $100,000. Applicants requiring smaller awards are encouraged to apply. Projects will be supported for periods up to 17 months.

Grantee Share

At least 25 percent of the total cost of proposed projects must come from a source other than the Federal government, except for: projects funded under the Native Americans Act which require a 20 percent match or applicants who already have an institutional cost sharing agreement in terms of which the non-Federal share of project costs may be in the form of grantee-incurred costs or third party in-kind contributions. OHDS "strongly encourages preapplications where the grantee share is more than 25 percent."

Purpose of the Grant Program

The purpose of the coordinated discretionary funds program is to support:

1. research activities that develop insightful, new ways of addressing human service problems
2. the transfer and implementation of previously developed techniques and knowledge
3. evaluations that assess the efficacy of existing programs
4. projects that improve the delivery and management of social services

In FY 1984 the focus will be on increasing social and economic self sufficiency through socioeconomic development strategies, the strengthening of families, and improving the efficacy of social services.

PROGRAM PRIORITIES

I. **Socioeconomic Development Strategies**

1-1 **Employment and Income Generation** Since this has been a priority for the past two years, FY 1984 grants will be made in only 4 specific categories: retention of older workers; youth employment leadership development to prevent or reduce negative consequences of youth problems (teenage pregnancy, runaway behavior, homelessness, juvenile delinquency); employment techniques (shared work, home-based work, youth entrepeneurships); and expanding work opportunities for special populations.

1-2 **Community and Family-Based Care** Projects will be funded for models of volunteer care enabling the developmentally disabled and elderly to live in the community; innovative approaches to health promotion and maintenance; and new ways to provide living arrangements in the community.

1984 OHDS GRANT APPLICATIONS

1-3 **Family Services Through the Workplace** OHDS will fund demonstrations of workplace social service programs sponsored by nontraditional groups such as businesses, trade unions, foundations, nonprofits or government agencies, particularly those which improve productivity and health of older workers, but also including optional programs to keep families together such as flexible hours and employer sponsored day care.

1-4 **The Developmentally Disabled Adult** Projects should address the "aging out" transition; training of personnel to provide community based services to avoid institutionalization.

II. **Strategies for Strengthening Families**

2-1 **Promoting Family Cohesion** Assuming that a key element is affordable, accessible, quality child care, projects will be funded in such areas as: family day care networks, employer supported child care, infant and toddler care, care of school age children, maximization of private sources of support, measurement of the impact of infant day care and care of children whose parents are incarcerated.

2-2 **Head Start** This year's grants will concentrate on collaborations between Head Start programs and other community programs in providing health services, education, social services and parent involvement; research directed to empirical knowledge on the different outcomes/costs of home based and center based Head Start; and innovative delivery of services to unserved populations.

2-3 **Child Abuse and Neglect Prevention, Protection and Treatment** OHDS intends to fund as many as 100 one-time seed projects for a variety of projects including: remedial and preventive for maltreated adolescents; building prevention resources in minority communities; recognition training for school personnel; after school programs for at risk children; coordination of reporting and feedback between schools and child protective agencies; perinatal prevention for adolescent parents; protection for handicapped infants; investigation of characteristics of parents reported for leaving children unsupervised; operational definitions of emotional maltreatment; alternatives to litigation; study of nonprofessional sources of child abuse reporting; treatment roles for the elderly.

2-4 **Runaway and Homeless Youth** Grantees will test and demonstrate models of effective aftercare services; implement existing models of independent living that center on business participation; expand use of youth workers for early intervention (youth social workers assigned to police patrols, street outreach by rehabilitated youth); develop youth leadership by linking youth with professional and business leaders who serve as counselors and models.

2-5 **Child Welfare** Under prevention of unnecessary foster care projects will be funded for: development of information to aid administrators in purchasing and managing preplacement prevention services; increasing availability of preplacement prevention services for minority families and for special populations (the handicapped and children in stepparent families), and education for parenthood for families in the child welfare system. To improve foster care, grants will be made for developing and implementing effective licensing programs for child placing agencies, child care institutions, and foster family homes; mobilizing foster parent networks to recruit specialized foster homes; enhancing the role of the parent in services and decision-making; implementing reunification models; and developing models for court-child welfare coordination. Research proposals are solicited for analysis of changes in Indian child welfare services; examination of characteristics of children in long term foster care and their families; and identification of factors leading to adoption disruption and return to foster care.

2-6 **Adoption Opportunities** OHDS is interested in proposals from State public social services agencies for projects which will help States to increase the number of special needs children placed and to institutionalize improvements in the State adoption programs which will result in sustained increased levels of adoption. Based on the number of children in care, these States may apply for $75,000 to $125,000 grants: NY, CA, OH, PA, IL, MI, IN, NJ, FL, MA, NC, VA, MN, MO, MD, TX, WI, GA, AL, OR. Other States may apply for $25,000 to $65,000.

2-7 **The Elderly and the Family** Proposals must provide methods by which communities can strengthen families by taking advantage of mutual benefits the elderly and their families can give to each other. Examples include: encourage foster care agencies to consider placement of children in households of older families; involve older people in provision of services such as child care, working with handicapped and sick children and support for single parents.

III. **Strategies for Improving the Efficiency and Effectiveness of Social Services**

3-1 **Program Management Improvements** Emphases include: dissemination of techniques and practices developed by past OHDS grantee projects; mobilization of resources for the diffusion of management and service information systems; more efficient use of program evaluation systems; exchange of block grant management techniques; permanency planning for disabled adults.

3-2 **Gerontology Training** This will include career preparation, continuing education and training.

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[From the Washington Post, Oct. 2, 1983]

Low-Ranked Social Science Projects Moved to Top

(By Philip J. Hilts)

Officials in a Health and Human Services Department program to give millions of dollars in grants to social science projects have been approving projects rated by experts as the lowest of their class and rejecting others that are highly ranked, agency documents show.

Staff members of the department's Office of Human Development Services and researchers who receive grants from it say the OHDS research grant program has been transformed under the Reagan administration and assistant secretary Dorcas R. Hardy. One researcher called the grant decisions "totaly unpredictable," and one staff member said the grant system now is "pure pork barrel."

Defenders of the new system call it innovative, and typical of the way the administration is trying to reshape government-funded science. They said it "throws out the old guard" and brings in more "community-based" programs and more researchers who are not on the "good ol' boy" network.

Hardy, an assistant secretary in California's health department when Reagan was governor who once helped direct a social science program at the University of Southern California, said in a statement last week that the changes at OHDS restored accountability to the grant process and brought about "a marked increase in the diversity of organizations funded."

In its main research program, OHDS gave out about 140 grants that totalled $27 million last year.

In past years, social service agencies' and researchers' proposals were scored numerically and ranked by experts in the field, in psychology, sociology, and social work. Their evaluations, OHDS staffers said, mostly were approved by mid-level agency staff workers. Now, however, that authority has shifted to Hardy and her senior assistants, and "peer review" is given less weight, staff members said. Hardy's critics charge that her system is unpredictable and does not fund the best programs.

Those who say the program is working said that social science grants always have been more "political" than physical or biological science grants. Those complaining, they said, lost decision-making power under Hardy.

Some examples found in computer printouts of senior staff "decision memos":

Among 88 proposals for child welfare training grants, the proposal ranked by experts as No. 2, with a score of 97 out of a possible 100, was turned down. Eleven more of the top 25 also were rejected. However, a proposal from an Arkansas group that came in last, with a grade of 46, was funded. A note beside the case said, "State previously not funded." Similar comments on state considerations were found in more than 40 of the 88 proposals.

Of 267 applicants for funding of family programs, 23 of the top 34 proposals were eliminated. With only 34 to be chosen, applications ranked by experts as low as 249 were considered. Seventeen of those approved for consideration were ranked lower than 100 and seven of those were lower than 200.

The top-rated proposal in a group on training to run programs for the aged received a score of 89 on the first round and was reported to have gotten a 95 in a second review. It was rejected. A proposal scoring 30 points lower, at 60.7, from the University of Southern California, was approved for a grant.

In a program aimed at aiding homeless children and runaways, five of the top 12 proposals were rejected despite scores of 86.5 to 91. At the same time, proposals ranked 100, 101, and 103 were approved for consideration for grants. They scored between 56 and 58.5.

Officials of the program have said that, of all the proposals rated in the top 25 percent by expert reviewers, only half were allowed by OHDS administrators to compete for funds. Of those ranked in the lowest 25 percent, 8 percent were kept in competition despite low scores. By contrast, officials of other agencies that fund social science proposals say that in their review systems more than 90 percent of the top-ranked proposals is approved.

One staff member who requested anonymity said that at times, writing a letter of approval becomes a joke. "Someone handed me one of these that scored" below 50 but was approved for funding "and said, 'Just see if you can find me something good to say about that one: Anything at all,'" the staff worker said.

One director of a large social science agency, who asked that his name not be used because has has been getting grants under Hardy's administration and has worked as a reviewer in the system, said, "It's perfectly obvious that an extraordinary

amount of discretion is being exercised at the administrative level, above the peer review . . . that makes the process totally unpredictable."

Hardy was unavailable last week for interview. In a statement through a public relations official, she responded to the charge of unpredictability, saying, "The process as administered under the present administration is somewhat less predictable. Those organizations that used to be able to predict uninterrupted funding year after year can no longer do so.

"All decisions are made by senior staff collegially, thus eliminating the lack of accountability in the previously used system of independent private decisions by each commissioner [within the OHDS] . . . ."

Hardy now requires a 10-page pre-application before full proposals are submitted. She said that this overcomes the advantage that "large professional proposal-writing organizations" have had over "small, innovative but less polished community organizations."

Richard Adelman, director of the Institute of Gerontology at the University of Michigan, for which OHDS has funded programs annually for many years, said that Hardy's administration "lets into play one very important factor: that is the political impact of what they are funding."

He said the Institute of Gerontology, as a result, now is seeking funds from "less political" agencies such as the National Institutes of Health. At the NIH, "generally when you get a grant from them, or a rejection, there is a good reason. I have won many and lost many and I will still say that . . . .

"At NIH, the predominant concern is about the quality of research. You would be naive to think there was no institutional politics involved at NIH. But at OHDS, they have now got the tables turned. The likely political impact is an important aspect—not the only aspect—but an important aspect of their decision to make a grant," he said.

Hardy, in her statement, responded to the charge of politics entering the process:

"The philosophy of this administration clearly and appropriately permeates the [grant guidelines]. Applicants are scored strictly on basis on published criteria by field reviewers who have been selected for their expertise.

"The selection process does not take into account and indeed could not effectively indentify . . . the ideology of applicants being considered . . ."

She said that despite the gap between rankings and final grants the "selection process . . . puts primary emphasis on the reviewers' scores, tempered by other factors such as geographical distribution, ethnic representation, urban-rural balance, and so on. The selection results bear this out. An application ranked in the highest 25th percentile of the reviewer's scores had a 600 percent higher probability of being selected than one ranking in the lowest 25th percentile."

Of the proposals at OHDS, the lowest-ranked half still had a 20 percent chance of being approved for the final round.

By contrast, in the program that makes similar social science grants at the National Science Foundation, program director Murray Aborn said, without working out specific figures, that "It would be impossible, I think, for a grant to be ranked poor [in the bottom 20 percent] and still be funded . . . It would also be very difficult for a good project to escape the system, very rare that a proposal rated excellent [in the top 20 percent] does not get funded . . . ."

The NSF has several mechanisms to assure that the reviewers ratings are followed and not overriden by staff, including auditors who search specifically for discrepancies between the final awards and the reviewers' rankings.

CONSORTIUM of Social SCIENCE ASSOCIATIONS

COSSA WASHINGTON UPDATE

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November 4, 1983

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GAO TO INVESTIGATE RESEARCH PROGRAM AT OHDS

In the wake of newspaper stories charging that the Office of Human Development Services (OHDS) was ignoring the recommendations of peer reviewers, the Government Accounting Office (GAO) has been asked to investigate the discretionary grants program at OHDS. Rep. Ike Andrews (D-NC), Chairman of the Education and Labor Subcommittee on Human Resources, requested the GAO study.

The Subcommittee has legislative jurisdiction over four major social programs administered by OHDS -- the Head Start program, the Administration on Aging, the Administration on Native Americans, and the Runaway Youth programs. The OHDS research budget of close to $30 million funds studies in these as well as in several other federal social programs administered by OHDS.

Rep. Andrews and the Subcommittee on Human Resources will be holding hearings on OHDS programs early next spring and will then consider legislation to reauthorize the OHDS programs under its jurisdiction. The Subcommittee will hear testimony from the GAO investigators during the hearings.

COSSA Washington Update is a biweekly publication of the Consortium of Social Science Associations (COSSA), 1755 Massachusetts Avenue, NW, Washington, D.C. 20036. 202/234-5703. Dell H. Hymes, *President*; Roberta Balstad Miller, *Executive Director*. Member associations are the American Anthropological Association, American Economic Association, American Historical Association, American Political Science Association, American Psychological Association, American Sociological Association, American Statistical Association, Association of American Geographers, Association of American Law Schools, and Linguistic Society of America. A list of COSSA Affiliates and Contributors can be obtained from the Consortium.

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LONG DISTANCE TELEPHONE RATES (AND SURVEY RESEARCH)

The House Energy and Commerce Committee last week approved legislation that would repeal the Federal Communications Commission (FCC) regulation permitting telephone companies to charge access fees for long-distance telephone service. The regulation, which is currently scheduled to go into effect on April 3, if it is not withdrawn, could cost private consumers as much as $10-$12 per month by 1990. More important to researchers, the cost of long-distance access would undoubtedly lead many rural, poor, or elderly consumers to discontinue long-distance service and would seriously bias the representativeness of telephone surveys. In addition, increases in the costs of alternative long-distance companies would raise the cost of conducting surveys.

The most recent entrant into the controversy is the Reagan administration. Secretary of Commerce Malcolm Baldrige wrote to the FCC this week requesting that the Commission lower the long distance rates of non-AT&T long-distance carriers. With this opposition from the administration and the action of the Energy and Commerce Committee, it is possible that the proposed regulation will be withdrawn. Interested social scientists are urged to contact their Representatives to ask them to support the legislation of the House Energy and Commerce Committee. For additional information on this issue, see Attachment 1.

POSSIBLE REORGANIZATION OF NIJ, BJS STILL PENDING

Several controversial proposals to alter the structure of the National Institute of Justice (NIJ) and the Bureau of Justice Statistics (BJS) are still awaiting action by the Senate. The proposed changes within the Senate version of the Justice Assistance Act (S. 53) would eliminate the NIJ Advisory Board and subordinate the agency within the Department of Justice. The criminal justice research community fears that the quality of criminal justice research and its administration will suffer if these changes are implemented. A similar bill in the House (H.R. 2175) does not contain these proposals.

Delay in Senate consideration of S. 53 is due to the desire of the Senate leadership to pass a controversial crime control package, a portion of whose provisions are essentially identical to the whole of S. 53. Should the Justice Assistance Act be passed in the Senate, however, a House-Senate Conference Committee will be convened. At that time, COSSA will urge members of the Conference Committee to adopt the provisions of the House bill for NIJ and BJS.

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SOCIAL SCIENCE -- WHAT'S IN A NAME?

The recent excision of the word "social" from the title of a research program at the National Institutes of Health (NIH) prompts questions about whether the term "social science" is politically too vulnerable for use in federal agencies. It also raises the question of whether social scientists should accede in attempts, however well intentioned, to disguise social science or in other ways make it less visible by changing the names of programs.

The most recent case concerns the change in the name of a branch in the Center for Population Research at the National Institute of Child Health and Human Development (NICHD) from Social and Behavioral Sciences Branch to the Demographic and Behavioral Sciences Branch. A similar change was ordered in the National Institute on Aging (NIA) two years ago, when the name of what had been the Social and Economic Sciences Program was changed to the Behavioral Science Program. The recent rechristening of the British Social Science Research Council to the Social and Economic Research Council is a third case in point. In this case, however, the word eliminated was "science," not "social."

In all cases, the change of name was purely cosmetic, that is, no alteration was made in research programs after the new name was adopted.

One potential problem that may result from such facile name changing is that the term "behavioral sciences" will eventually become as offensive as social science. At such a time, should still a third name be adopted? More important than surface name changing is a focus on strengthening the content of research programs and a commitment by social scientists to inform and educate federal officials and the general public about the nature, validity, and importance of research in the social sciences.

It is worth noting to those who use "behavioral science" as a less offensive form of "social science" rather than as a term describing specific research disciplines that "behavioral science" did not provide much protection in early 1981. When the newly ascendent Reagan administration decided to cut research budgets, behavioral science programs in the Division of Behavioral and Neural Sciences at the National Science Foundation (NSF) were cut by almost the same proportion as budgets in the NSF Social and Economic Science Division.

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COSSA WELCOMES NEW NIA DIRECTOR

Congressional staff, social and behavioral scientists, and NIH officials and staff attended a COSSA reception on October 24 to honor Dr. T. Franklin Williams, the new Director of the National Institute on Aging (NIA). The reception was also intended to introduce Dr. Williams, who comes to NIA from the Center on Aging, University of Rochester Medical Center, to social and behavioral scientists in the Washington area. In July, Dr. Williams became head of NIA, which has a congressional mandate for the "conduct and support of biomedical, social and behavioral research and training...". At present, roughly 80% of the agency's research budget is spent on research in the biomedical sciences.

BRITISH GOVERNMENT ENDORSES SOCIAL SCIENCE RESEARCH

The British Social Science Research Council (SSRC), now formally called the Social and Economic Research Council but still referred to informally as the SSRC, has been given an unexpected boost by the Thatcher government in a letter to the new SSRC Chairman from Sir Keith Joseph, Secretary of State for Education. In the letter, Sir Keith said that there will be no further inquiries into the need for social science research and that the SSRC will be treated like the other science research councils after 1985. He further wrote that the social science disciplines are "unquestionably important, inherently difficult and properly find a place in higher education, research and scholarship."

Sir Douglas Hague, the new SSRC Chairman, is an economist who has served as an advisor to the Conservative Party for 17 years. His personal contacts with Margaret Thatcher and other members of her government suggest that he will be able to protect the SSRC from further political problems. For example, he requested the recent letter from Sir Keith Joseph in order to restore the confidence of social scientists in the future viability of the SSRC.

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COSSA HOLDS SEMINAR ON COMPUTERS IN EDUCATION

The U.S. educational system will have to use computers more effectively if students are to compete successfully in the labor markets of the future, according to Marc Tucker, Director of the Project on Information Technology and Education. Tucker spoke at a recent COSSA Congressional Breakfast Seminar attended by fifty congressional staff.

Tucker noted that schools in the U.S. were designed to prepare students for a "smokestack" economy that no longer exists, while today's labor market requires that workers be more creative and flexible in order to increase the value of the specialized, high-quality goods and services which the U.S. must produce to remain economically competitive. Current uses of computers for drill and to teach computer programming, he contended, make little sense because they do not prepare students to meet the changing needs of the labor market. He noted that only a very few of those pupils learning computer programming will become programmers since the demand for programmers is expected to drop precipitously. And, although computers help improve students' basic skills, using older students to tutor younger ones has been shown to be more effective and less costly.

"The computer," said Tucker, "is much more like a pencil than it is like a book; but it is an intelligent pencil. And that means essentially that it is an extension of the mind. It is a tool of immense power." Seen as a tool, computers should be used with existing word processing and database software to teach writing skills and to give both students and teachers analytic experience solving real problems with real data, "in everything from history to shop, to biology, to physics, to a business course."

Co-sponsoring the seminar were the Special Interest Group on Computer Uses in Education of the Association for Computing Machinery and the House Science and Technology Subcommittee on Investigations and Oversight. Representative Albert Gore (D-TN), Chairman of the Subcommittee, also addressed the group. Transcripts of Mr. Tucker's remarks may be obtained by contacting Eileen Chotiner, COSSA, 1755 Massachusetts Avenue, NW, Suite 300, Washington, DC, 20036.

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SOURCES OF RESEARCH SUPPORT: DEPARTMENT OF HEALTH AND HUMAN SERVICES

COSSA provides this information as a service and encourages readers to contact the agency rather than COSSA for more information.

National Institute of Child Health and Human Development (NICHD)
Center for Population Research: Demographic and Behavioral Sciences Branch

The Center for Population Research represents the federal government's central effort in population research, supporting research on reproductive processes influencing fertility, research on the reproductive motivation of individuals, and the causes and consequences of population change.

Purpose of Program: The Demographic and Behavioral Science Branch supports studies of "the social, psychological, economic and environmental factors governing population growth, and the impact of population changes on individuals, families and society."

FY 1983 Budget: Approximately $15 million was available for FY 1983. The FY 1984 budget is expected to increase by about $1 million.

Funding Mechanisms: Primarily grants, some contracts.

Disciplines Support: Mostly sociologist demographers, sociologists, psychologists, economists. Some anthropologists, political scientists, and bio statisticians. The Branch is interested in receiving proposals from researcher across the full range of the social and behavioral sciences.

Review Process: Peer panel review.

Restrictions on Awards: Longest possible project period is 5 years.

Success Ratio: Of all proposals received by the Branch, around 18% are funded.

Contact: Dr. Wendy Baldwin, Chief
Demographic and Behavioral Sciences Branch
Center for Population Research
National Institute of Child Health & Human Development
7910 Woodmont Avenue, Landow Building, Room 7C25
Bethesda, MD 20814
301/496-1174

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Suggestions for Telephoning a Member of Congress

There is no need to feel intimidated about calling a Washington congressional office. Most are quite open and responsive to calls from constituents. The following guidelines offer suggestions for contacting your Senator or Representative by telephone:

1) Call 202/224-3121 and ask to be connected to your Representative's or Senator's office.

2) Once connected, ask to speak with the Congressman's (or Senator's) staff person who handles the specific issue in which you are interested.

3) If for some reason no one has been assigned to this issue, ask to speak with the Administrative Assistant.

4) Once connected to the right person, identify yourself first as a constituent, then as a professional. Try to say something positive about the Member or Senator before asking for his or her support on a specific issue.

5) Follow up your phone call with a short note to the staff member you spoke with, emphasizing both your original point and your appreciation of his or her attention to this issue.

Attachment 1

October 26, 1983

RESEARCH NOTES

THE CHRONICLE OF HIGHER EDUCATION

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Research may suffer if individuals and businesses—which include colleges and universities—have to pay an "access fee" to connect their telephones to long-distance lines, according to the executive director of the Consortium of Social Science Associations.

Beginning April 3, 1984, the Federal Communications Commission wants to impose monthly access fees of $2 for each residential line and $6 for each business line. The fees would rise until 1990 to a level not yet determined.

They would be imposed whether or not people at a residence or business made any long-distance calls in a given month, and would be paid to one of the seven local telephone companies that will be created as a result of the restructuring of the American Telephone and Telegraph Company.

If a residential access fee is imposed, scholars conducting telephone surveys, for example, could no longer reach people who are unable or unwilling to pay it, said Roberta Balstad Miller, of the social-science consortium. As a result, she said, significant groups—the elderly and the unemployed among them—might not be represented in such surveys.

At the same time, she said, the business fee would increase the cost of telephone surveys and, consequently, scholars might conduct fewer of them.

Ms. Miller said both developments would be especially detrimental to "longitudinal" surveys, which involve contacting the same people every year for a set period.

Bills now being considered in the House and the Senate would eliminate or delay the residential fee, but not the business fee.

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[From the Washington Post, Jan. 17, 1984]

CHANGED LIVES

Two decades ago, mainstream political thought held that government could eliminate most social ills. Now the going assumption is that government programs are generally futile if not downright harmful. Every now than then someone does a careful study of a government program—such as the long-term study of a Michigan Head Start program released this week—and finds that neither sweeping conclusion is true. Well-run government programs can't solve deep-seated problems overnight, but they can make an important difference.

Numerous studies have shown that the high-quality preschool education provided by Head Start projects has important benefits for both low-income youngsters and their parents. The new study by the High/Scope Education Research Foundation in Ypsilanti, Mich., is especially notable because it followed participants long and carefully enough to find out whether the program really made a difference.

The 123 randomly selected low-income black children who enrolled in the Ypsilanti program in the early 1960's had almost everything going against them. They were from families with little education. Their test scores were low. About half lived with only one parent. Not suprisingly, children in the matched control group with which the Head Starters were compared, haven't done very well in life. Many dropped out of school, fathered or bore children in their teens, became involved in crime or are now, at the age of 19, unemployed or living on welfare. So did many of the Head Start group. But what is truly encouraging is that so many more did not.

The differences are truly startling. Almost twice as many Head Start graduates hold jobs or have gone on to college or vocational school after high school. Among the girls, only about half as many have been pregnant. Substantially fewer dropped out of school, became involved in crime or received welfare. The researchers titled their report "Changed Lives," and that's a fair summary of their findings.

Head Start has been shielded from budget cuts thus far, but the program still serves fewer than one out of five eligible children. However, the program's authorization will expire in October. Congress will surely pass a stopgap extension before it adjourns, but that would mean missing the chance to expand the program modestly and to make sure the administration doesn't pursue plans to weaken features of the program that ensure its quality. The House has already passed a bill, and two staunch administration supporters, Sens. Orrin Hatch and Jeremiah Denton, are supporting a similar one in the Senate. It would be a shame if the Senate couldn't find time this week to give more children a head start on life.

[From the New York Times, May 12, 1984]

MOTHER'S DAY GIFT IDEA: POLITICAL PRESSURE

(By Patricia Schroeder and Olympia Snowe)

WASHINGTON.—Instead of sending candy this year for Mother's Day, why not do something useful for mom and write a letter to your Senator or Representative? Several bills that could reshape the lives of American Women, especially those who work, are pending before Congress. But without continued public pressure many of these measures could fail.

Here are some of the proposals:

Pension security for the 16 million mothers in the paid work force when they leave work temporarily to raise a family. Now, the "break in service" can cause a forfeiture of accrued benefits.

Automatic deduction of the wages of divorced spouses who fail to maintain child-support payments. Now, more than two million mothers have to do without.

Increased support for day care. On-site day care at school, before and after classes, would help the working mothers of 62 percent of all school-age children. A bigger Federal tax credit for day-care expenses would ease the hardships of almost 3 million mothers heading families below the poverty line.

Providing a community-based, computerized clearing house for child-care information and referral. Countless mothers don't even know where to go for basic information about day care.

Each of these proposals is within our grasp. The reason we're so close is that Congress is finally addressing the realities of motherhood in the 1980's.

A demographic revolution in the past 30 years has created a new evironment for women. Between 1947 and 1980, the number of women working outside the home

rose by 173 percent. Most joined the work force out of economic necessity which, increasingly, springs from another striking change—the incidence of female-headed households. Poor families headed by single women have become plentiful, particularly among minority families. We've coined a new description for the problem—"the feminization" of poverty.

One social norm hasn't changed. Child care and the care of dependent relatives remain the major responsibility of mothers whether they work or not. By leaving work for such responsibilities, they could lose the accrued value of both private pension benefits and Social Security. Home-makers are particularly vulnerable in terms of retirement security. Divorce and widowhood leaves many women without pensions, displaced and with few or no job skills.

Thus, Congress is considering steps to make life easier and more equitable for American mothers.

The first step is to remedy the appalling lack of enforcement in child-support cases. This issue has rightfully received enormous public attention in the last year. Moral outrage is justified when studies show that dead-beat parents shell out more for car payments than for child support. New legislation close to clearing Congress will mean that some $4 billion in uncollected payments will be recouped. That's a neat Mother's Day idea.

Another idea whose time has arrived is to provide seed money for communities to set up their own data banks on day care. Before mothers can take advantage of the tax breaks for such care—and new ones proposed to expand tax credits or refund them for poor families—they need to be able to find facilities that offer care or referrals to providers. This concept has been embodied in a bill now working its way through the House that would extend the popular Head Start program.

Making on-site care available to the nation's 5 million to 10 million "latch key" children before and after the school day is essential for working mothers. A bill that is about to be voted on in the House would help schools get these kinds of programs off the ground.

Finally, closing the loopholes in private pension regulations would help insure the retirement security of women in the paid workforce and homemakers alike. How many wives have lost out on the survivor's benefit of their deceased husband's pension because of his death before the early retirement age? How many have had to begin re-accruing their won pension benefits because they have left jobs to raise families? Too many A retirement equity bill redressing these problems has passed the Senate, and a stronger version will soon be voted on by the full House.

So if you haven't yet found the perfect gift for your mother, or your grandmother, you may want to write your Representative and ask for immediate passage of these initiatives. A box of chocolates is nice, but doesn't mom deserve a longer-lasting tribute? We think a national policy that recognizes her contributions and meets her economic needs would be the best present she could have today.